

ARMY NATIONAL GUARD

FY2012 ANNUAL FINANCIAL REPORT



Hometown Force, Global Reach



AN AMERICAN VALUE

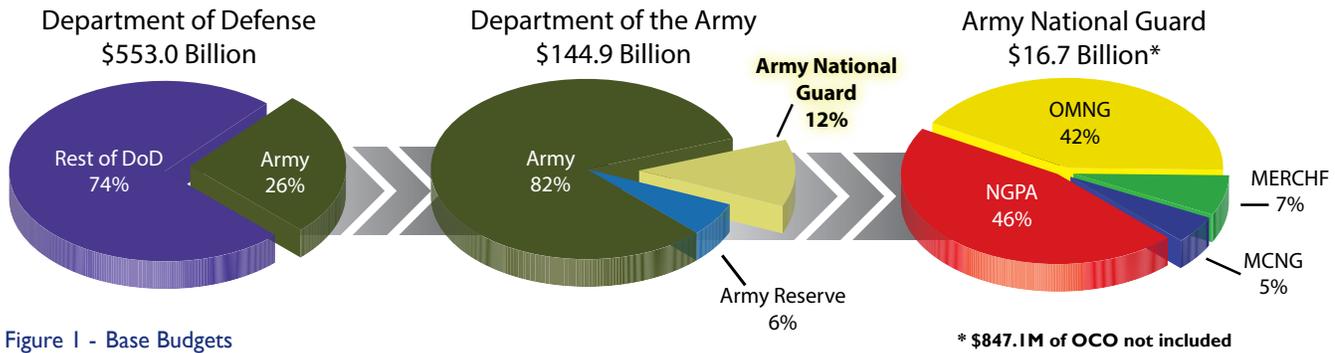
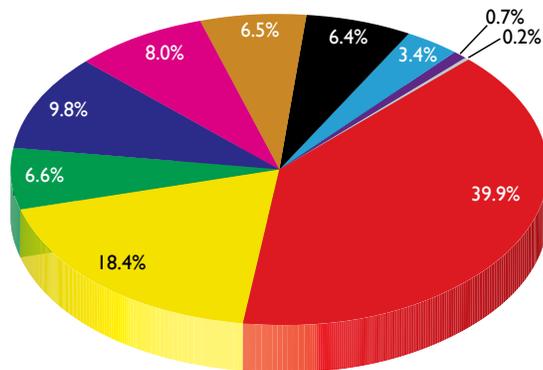


Figure 1 - Base Budgets

Army National Guard Appropriations (\$M)	2011	2012	2013 Request
National Guard Personnel, Army (NGPA)	\$ 8,553.8	\$ 8,280.5	\$ 8,687.0
Operations and Maintenance, Army National Guard (OMNG)	\$ 6,786.8	\$ 7,228.0	\$ 7,489.4
Military Construction, Army National Guard (MCNG)	\$ 871.9	\$ 773.6	\$ 613.8
Medicare Eligible Retiree Health Fund Contribution (MERHC)	\$ 1,253.8	\$ 1,234.2	\$ 746.5
Total	\$ 17,466.3	\$ 17,516.3	\$ 17,536.7

Table 1 - Army National Guard Appropriations **ARNG 3% of DoD base funding.** ARNG OCO included in NGPA, OMNG FY11-13

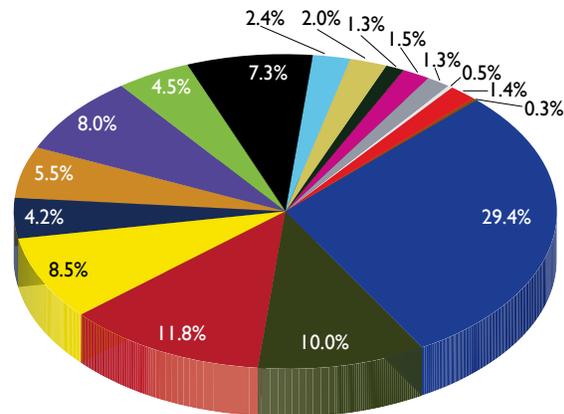
FY12 National Guard Personnel, Army



Program	Total (\$M)	Percent
Active Guard Reserve, Pay	\$3,302.8	39.9%
Inactive Duty Training	\$1,524.8	18.4%
Overseas Contingency Operations	\$ 542.9	6.6%
Special Training	\$ 815.6	9.8%
Active Duty for Training, Pay	\$ 663.8	8.0%
School Training	\$ 540.4	6.5%
Initial Entry Training	\$ 531.9	6.4%
Selected Reserve Incentives	\$ 284.1	3.4%
Bonus Programs	\$ 56.7	0.7%
Other Programs	\$ 17.4	0.2%
	\$8,280.5	100%

Figure 2 - FY12 National Guard Personnel, Army

FY12 Operations and Maintenance, ARNG



Program	Total (\$M)	Percent
Civilian/Technician Pay	\$2,121.8	29.4%
Ground Operation Tempo (OPTEMPO)	\$ 726.5	10.0%
Base Operation Support	\$ 852.6	11.8%
Facilities, Sustainment, Restoration, & Modernization	\$ 614.4	8.5%
Overseas Contingency Operations	\$ 304.2	4.2%
Recruiting and Advertising	\$ 395.0	5.5%
Depot Maintenance	\$ 580.7	8.0%
Air OPTEMPO	\$ 323.3	4.5%
Other Programs	\$ 527.0	7.3%
Medical Readiness	\$ 175.7	2.4%
Mission Support/Training	\$ 147.3	2.0%
Education Programs	\$ 92.6	1.3%
Environmental	\$ 110.7	1.5%
Family Programs	\$ 93.7	1.3%
Counter Drug	\$ 37.1	0.5%
Chemical Biological Radiological Nuclear Explosives (CBRNE)	\$ 104.4	1.4%
Automation and Info Systems	\$ 23.0	0.3%
	\$ 7,228.0	100%

Figure 3 - FY12 Operations and Maintenance, ARNG

Notes:

1. Department of Defense data from FY12 President's Budget Request February 2011.
2. Numbers in Annual Financial Report may not sum due to rounding.
3. Appropriation Status by FY Program and Subaccounts – Accounting Report Monthly (AR(M)) 1002, September 30, 2012.

Table of Contents

THE ARMY NATIONAL GUARD ANNUAL FINANCIAL REPORT FISCAL YEAR 2012

Financial Highlights	i
Message from the Director	iv
Executive Overview: The Army National Guard	1
Operational Readiness	6
Aviation Readiness	14
Training Readiness	20
Soldier Readiness	24
Medical Readiness	28
Family Readiness	31
Logistics Readiness	33
Facility Readiness	35
Environmental Readiness	38
Technological Readiness	39
Equipping Readiness	41
State Summaries	54
Financial Stewardship	76
Fiscal Year 2012 Financial Statements	81
Notes to Financial Statements	86
Appendices	
A. Information Papers	102
B. Acronyms	102

Information papers and state information is available at <http://www.arng.army.mil/News/publications/Pages/FinancialReport.aspx>

Tables

Table 1	- Army National Guard Appropriations	i
Table 2	- ARNG Duty Status Comparison	6
Table 3	- FY12 Support to Army Service Component Commands	12
Table 4	- ARNG End Strength	25
Table 5	- FY11 NGREA Base Buy List	42
Table 6	- FY12 NGREA Base Buy List	42
Table 7	- FY14 Budget Operating Systems	43-45
Table 8	- FY14 Top 25 Equipment Modernization/Shortfall Category List	47
Table 9	- FY11 ARNG Significant Major Item Shortages	48
Table 10	- General Fund Enterprise Business System	77

Figures

Figure 1	- Budget Breakdown	i
Figure 2	- FY12 National Guard Personnel, Army	i
Figure 3	- FY12 Operations and Maintenance, ARNG	i
Figure 4	- National Guard Leadership	4
Figure 5	- Operational Force Structure	5
Figure 6	- State Partnership Program by Command	10
Figure 7	- ARNG support to Contingency Operations by Command	11
Figure 8	- ARNG Accessions	24
Figure 9	- ARNG Retention	24
Figure 10	- FY 2012 Footprint of the Army National Guard	35
Figure 11	- Military Construction, ARNG	36
Figure 12	- Estimated States Economic Impact	55
Figure 13	- National Guard Personnel, Army	79
Figure 14	- Operations and Maintenance, ARNG	79
Figure 15	- Overseas Contingency Operations	80

Hometown Force



The Army National Guard (ARNG) continued to serve the nation with distinction as an operational force both at home and abroad in fiscal year 2012 (FY12). Here in the United States, Guard Soldiers rescued hundreds of citizens in the aftermath of Hurricane Irene, battled enormous wildfires in Colorado and assisted in securing our Southwest Border, among many other critical missions. Overseas, the ARNG served in combat and stability operations in Iraq and Afghanistan while continuing to build long-term relationships with more than 60 nations through our State Partnership Program. The withdrawal from Iraq in December 2011 was a milestone for the Army and the National Guard.

The Army National Guard's Citizen-Soldiers represent a critical, element of America's national security. Since September 11, 2001, the Army Guard has completed more than 500,000 Soldier mobilizations in support of diverse federal missions, while tens of thousands have been called up by their governors to respond to domestic emergencies. The ARNG provides both state and federal leaders with a ready and flexible force that responds quickly—often within hours of a domestic emergency. And it continues to do so at a tremendous value to the American people.

Strong congressional and Army support and more than a decade of continuous contingency and domestic operations have forged an Army National Guard that is more experienced, better trained and better manned than ever before. Half of the current force are seasoned combat veterans, many with multiple overseas deployments. Soldier quality, end strength and readiness rates are all excellent, enabling the ARNG to build and maintain a true Hometown Force with Global Reach.

Looking forward, as the Army implements the Total Force Policy signed by Secretary McHugh this past September, the Army National Guard will build on its strong relationships with the active Army and the Army Reserve. Working together, the Army and the nation will reap great benefits from an integrated operational force that provides predictable, recurring and sustainable capabilities.

The Army National Guard FY2012 Annual Financial Report is a comprehensive review of ARNG Financial Statements and budgetary information. As this report demonstrates, the ARNG remains a cost-effective, operational force and an essential member of the Army team. I have every confidence that, as we enter an era of fiscal constraint, the Army National Guard will continue to serve the nation in an increasingly vital role at home and overseas.

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

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

Executive Overview: The Army National Guard

This is the 15th year in which the ARNG has published the Army National Guard Annual Financial Report, a report provided to Congress. This document provides an extensive financial and budgetary summary of ARNG operations and programs, highlighting critical readiness initiatives as well as state-specific achievements. As this report shows, the ARNG has demonstrated its ability to respond to the complex and dynamic challenges our nation has endured, from wildfires and hurricanes at home to continued combat operations abroad.

The American people have made a tremendous investment in the ARNG, especially over the past decade. It has received billions of dollars to modernize equipment and facilities, as well as to provide world-class training for Soldiers. In addition, the ARNG has funded programs to support Soldiers through their stressful deployments, fulfilling the nation's moral obligation to care for those who serve the nation. The ARNG continues to remain a Hometown Force with Global Reach, providing tremendous value to the American people while remaining a key contributor to the Army team and our shared mission of national defense.

Financial Stewardship

In FY12, Congress appropriated over \$17.5B to fund Soldier pay, operations and maintenance, equipment purchases, military construction and retiree health care contributions. Included in these appropriations is \$847.1M of Overseas Contingency Operations (OCO) funding, which primarily supported operations in Afghanistan. Entrusted with such significant resources from American taxpayers, the Guard has and will continue to strengthen its financial accounting and accountability standards and practices in order to provide visibility and accountability of every dollar that the ARNG receives.

In compliance with Department of Defense (DoD) requirements, the Army fielded the General Fund Enterprise Business System (GFEBS), a web-based Enterprise Resource Planning (ERP) tool that enables the Army, ARNG and the U.S. Army Reserve (USAR) to compile and share accurate, up-to-date, real-time (or live) resource management data, as well as implement automated processes and controls to the Army's financial transactions. FY12 is the first year that all ARNG elements have utilized GFEBS as their financial system of record. GFEBS meets government financial accountability standards, allowing the ARNG to move closer to compliance with Federal Financial Management Improvement Act requirements. Our efforts move the ARNG substantially closer to meeting Secretary of Defense Leon Panetta's goal of achieving audit readiness for the DoD Statement of Budgetary Resources (SBR) by FY14.

National Resources, Local Impact

In addition to ensuring financial accountability, the ARNG plays an essential role in every state and community. The vast majority of ARNG equipment—from helicopters and trucks to radios and medical tents—is available for use during state missions, such as disaster relief. The Army Guard's local presence provides governors with equipment and capabilities that they would otherwise not have at their disposal.

Beyond equipment, ARNG facilities nationwide are dual purposed for both civilian and military use. Armories across the country are often used as community centers when not being used for military training. In addition, armories often

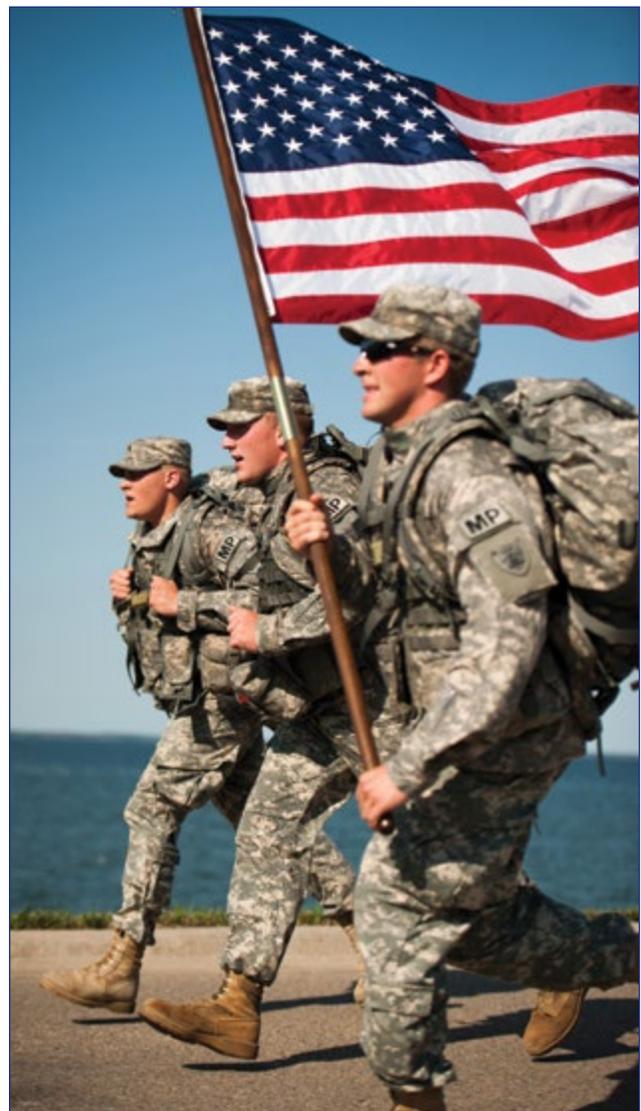


Photo by SGT Brett Miller

North Dakota Army National Guard Soldiers (from left to right): SPC Mitchell Eidsvold, SPC Michael Hons and SGT Scott Jenson of the 191st Military Police Company race towards the finish line of the Fallen Soldiers Memorial 12K run, while wearing full combat equipment and carrying the American flag. The run took place in Devils Lake, ND.

serve as shelter for citizens during disasters. The ARNG also provides a direct financial impact to local economies through Soldier pay and allowances, education benefits (which are often used at local schools and universities), military construction projects and through other means.

Strategic Imperatives for the Army National Guard

The Director of the ARNG, Lieutenant General (LTG) William E. Ingram, Jr., identified five strategic imperatives to guide ARNG decisions, channel actions, influence planning and encourage financial stewardship. The ARNG coordinates with the Army, as well as with the other Military Services and civilian leadership to sustain the ARNG Vision, Mission and Strategic Imperatives.¹

One—Preserve the Operational Army National Guard

The past decade of conflict has forged the ARNG into an operational force capable of rapid and effective employment at home and abroad. Our nation's military leaders have depended on ARNG Soldiers and units in combat and non-combat operations worldwide as part of the Total Army. The Secretary of the Army and other senior military leaders have repeatedly indicated that a robust ARNG will be critical for national security in the future.

To maintain this high level of readiness, the ARNG must remain operationally engaged, even after departing Afghanistan. To do so, Soldiers will deploy overseas in support of a wide variety of continuing missions in locations such as the Sinai, Kosovo and the Horn of Africa. Soldiers will continue to support missions unique to the Guard, such as securing America's Southwest Border, as well as meaningful engagement in 65 countries through the innovative State Partnership Program (SPP). In addition, the ARNG will continue to mirror the active Army in training, equipping and

structure. This ensures ARNG assets remain "plug and play," identical and indistinguishable from those in active Army units.

Two—Generate Ready Units and Soldiers

The core of the ARNG is its Citizen-Soldiers, ready to serve when the nation calls. Consequently, the country must continue to develop trained, equipped and ready Soldiers. Funding for recruiting, advertising and marketing is critical for bringing high-quality young men and women into the ARNG ranks.

Citizen-Soldiers also must receive proper leadership, training and mentorship throughout their careers. ARNG Soldiers regularly receive realistic and constructive training opportunities, such as rotations through combat training centers (CTCs) and advanced virtual training simulators. In addition, ARNG unit leaders and senior commanders are held accountable for the basics of personnel and equipment readiness, ensuring that both their Soldiers and units are "Always Ready, Always There."

Three—Partner with Combatant Commanders to Provide Relevant, Ready Forces Capable of performing unified land operations worldwide

A key responsibility of the Army is to provide well-trained and equipped Soldiers to the combatant commanders during times of war. To do this, the ARNG maintains a close partnership with Army leadership as well as combatant commanders worldwide. These relationships help ensure the ARNG maintains a current understanding of what each combatant command (COCOM) requires and expects from ARNG Soldiers. When deployed, combatant commanders can effectively leverage and integrate Guard capabilities into joint, interagency or multinational forces.

Combatant commanders recognize the value of reserve component (RC) Soldiers and the additional unique civilian skills they bring to military operations. For instance, an ARNG

With committed Citizen-Soldiers, our state and national leaders have the advantage of complete access to our forces and facilities. When employed judiciously, the Army National Guard presents cost-effective value to American communities where Guardsmen live, work and serve. This makes the Army National Guard not only trained, equipped and ready defenders of our freedoms, but also good stewards of taxpayer dollars.²

*LTG William E. Ingram, Jr.
Director, Army National Guard
Testimony to Congress, March 28, 2012*

¹Army National Guard, Army National Guard Strategic Imperatives, http://www.arng.army.mil/News/publications/Publications/11989_ARG_StatagicVisionBook_5x8_High%204.pdf (accessed September, 2012)

²LTG Ingram, Director (ARNG), Testimony to House Armed Services Committee, March 28, 2012.

signal officer deployed to Afghanistan as an information technology detachment commander may hold civilian employment with a major technology company, such as Google or Microsoft. By bringing their cutting edge training and experience to the battlefield when deployed, ARNG Soldiers give COCOMs an effective combat multiplier unmatched by other forces.

Four—Provide the Nation’s Force of Choice for Domestic Operations

Whether it’s hurricanes, floods, riots or power outages, ARNG Soldiers continue to answer the call. The ARNG provides governors with the Soldiers, equipment and capabilities they need when disasters strike. The combat training, equipment and force structure that enable the ARNG to succeed overseas are the essential components that allow it to respond effectively at home. Guard forces continue to be ready for rapid, no-notice deployments. Citizen-Soldiers ensure that equipment and resources, such as radios, helicopter and weapons are always ready for immediate use. These capabilities—honed by over a decade of combat experience—uniquely position the ARNG as the nation’s military first responder for emergencies and disasters here at home.

Five—Enhance the ARNG’s Core Strengths, Character, and Culture

The ARNG is about service—service to our nation, communities, neighbors and Families. The Army values of Loyalty, Duty, Respect, Selfless Service, Honor, Integrity and Courage underscore this commitment.

The common thread throughout the Guard is trust. Families trust that the Army National Guard will take care of them and their Soldiers—that the organization is there to support them as they support their Soldiers at home and when deployed. The community trusts ARNG Soldiers to serve with courage as they protect property and lives in times



Photo by SPC Brenda Thomas

Members of the 20th Special Forces Group (Airborne) completed several proficiency jumps from a Chinook in Gadsden, AL. These Soldiers leapt from the aircraft at approximately 1,200 feet and navigated their parachutes safely to the drop zone below.

of disaster. The nation trusts the ARNG with its valuable resources, rightfully expecting strong financial stewardship and accountability at all levels. In turn, Soldiers trust the nation to provide the resources they need to accomplish their missions. Finally, ARNG Soldiers trust each other. They know that the Soldiers to their left and right can be trusted to ensure the mission is accomplished. The ARNG continues to support programs and initiatives that serve to instill Army Values and the culture of trust in all Soldiers.



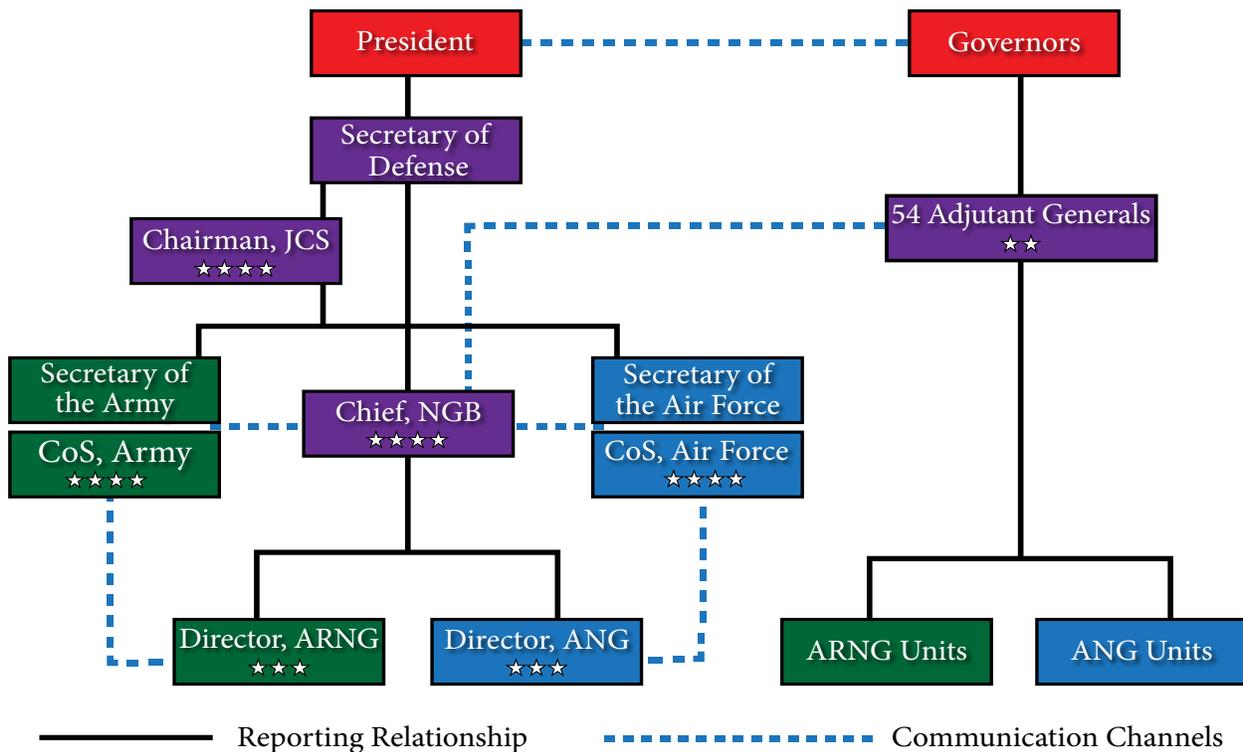
FEDERAL MISSION

Provide trained units available for active duty in the armed forces in time of war or national emergency and at such other times as the national security may require.

STATE MISSION

Provide military support to civil authorities and respond to state emergencies; support law enforcement in counter-narcotics.

National Guard Leadership



Note: JCS stands for Joint Chiefs of Staff and CoS stands for Chief of Staff.

Figure 4 - National Guard Leadership

National Guard Leadership

The National Guard Bureau (NGB) is a joint activity of the DoD (figure 4). It administers policies and oversees federal funding for the National Guards of the states, territories and District of Columbia that affect the federal mission of the Army and Air National Guard (ANG), and it acts as the official conduit between the states and the Departments of the Army and Air Force. The NGB is headed by a Chief, who is a four-star general and a member of either the ARNG or the ANG. As a result of the 2012 National Defense Authorization Act, the Chief, of the NGB, was made a full voting member of the Joint Chiefs of Staff.

The ARNG and the ANG are led by directors each with the rank of lieutenant general (three-star general). The ARNG Director is selected by the Secretary of the Army, and the ANG Director is selected by the Secretary of the Air Force. Both directors report to the Chief of the NGB.

LTG William E. Ingram, Jr., Director ARNG, functions as a resource and coordination manager to ensure development and implementation of all programs and policies affecting the readiness of the ARNG's force of 358,200 Citizen-Soldiers.

Command and Control of the Army National Guard

The ARNG is an RC of the U.S. Army, as well as the militia of the several states, territories and the District of Columbia. Its personnel are normally under the command and control of the respective state or territorial governor but may be called into federal service by the President. Each state governor serves as the Commander in Chief of that state's Army and ANG when it is not in federal service. The Adjutant General (TAG), a two-star general who in most cases is appointed by the governor, responsible for the training and readiness of Soldiers and Airmen within the respective 54 states, territories and the District of Columbia. The President serves as Commander in Chief of units activated for federal service, as well as the District of Columbia National Guard.

The term "activated" simply means that a unit or individual of the RC has been placed on orders. The purpose and authority for that activation will determine limitations and duration of the activation. The ARNG may be activated in a number of ways as prescribed by law. There are two titles in the U.S. Code (U.S.C.) under which ARNG units and troops may be activated: Title 32 and Title 10 (Table 2). The Operational Force Structure of the ARNG is depicted in figure 5, although not inclusive of all units.

The foundational structure needed to deliver the capability required of the operational ARNG is 8 Division Headquarters, 28 Brigade Combat Teams, 8 Combat Aviation Brigades and 2 Special Forces Groups.

Army National Guard Strategic Imperative One

Operational Force Structure



8 Infantry Divisions

28th Infantry Division - Pennsylvania
29th Infantry Division - Virginia
34th Infantry Division - Minnesota

35th Infantry Division - Kansas
36th Infantry Division - Texas

38th Infantry Division - Indiana
40th Infantry Division - California
42nd Infantry Division - New York

28 Brigade Combat Teams

116th Armored BCT - Idaho
116th Infantry BCT - Virginia
155th Armored BCT - Mississippi
1st Armored BCT - Minnesota
256th Infantry BCT - Louisiana
278th Armored BCT - Tennessee
27th Infantry BCT - New York
29th Infantry BCT - Hawaii
2nd Infantry BCT - Pennsylvania

2nd Infantry BCT - Iowa
30th Armored BCT - North Carolina
32nd Infantry BCT - Wisconsin
33rd Infantry BCT - Illinois
37th Infantry BCT - Ohio
39th Infantry BCT - Arkansas
41st Infantry BCT - Oregon
45th Infantry BCT - Oklahoma
48th Infantry BCT - Georgia
50th Infantry BCT - New Jersey

53rd Infantry BCT - Florida
55th Armored BCT - Pennsylvania
56th Infantry BCT - Texas
56th Stryker BCT - Pennsylvania
72nd Infantry BCT - Texas
76th Infantry BCT - Indiana
79th Infantry BCT - California
81st Armored BCT - Washington
86th Infantry BCT - Vermont

8 Combat Aviation Brigades

28th CAB - Pennsylvania
29th CAB - Maryland
34th CAB - Minnesota

35th CAB - Kansas
36th CAB - Texas

38th CAB - Indiana
40th CAB - California
42nd CAB - New York

Special Forces Groups

19th Special Forces Group - Utah

20th Special Forces Group - Alabama

Note: This figure shows unit patches by Division, BCT, CAB and SFG. BCT and CAB units within the same state are represented by a single patch. For a full list of Major Commands by state, please see state information pages located at <http://www.arng.army.mil/News/publications/Pages/FinancialReport.aspx>.

Figure 5 - Operational Force Structure

Operational Readiness

The ARNG demonstrated in FY12 that it is a relevant and ready force, as it has been for the last 375 years. America's investment in the ARNG over the past decade has delivered a highly trained, organized, equipped and dual-use force that remains a great value for America.

Challenging fiscal times have reinforced America's reliance on affordable, accessible military capabilities that are ready to take on a variety of missions. The ARNG's unique dual role is used to support both the domestic and the COCOMs. Domestically, missions ranged from homeland preparedness and response, Defense Support of Civil Authorities (DSCA), Homeland Defense (HD) and security. Overseas exercise mission support, theater security cooperation and strengthening interoperability with our allies maintained our support to COCOMs.³

The ARNG provided more than 20,000 Soldiers for short-duration missions that included national special security events (NSSEs) and support after hurricanes, tornadoes, floods and storms. The ARNG also provided 2,099 Soldiers for enduring missions, including Southwest Border protection, ballistic missile defense, and key asset protection. No other organization has the ARNG's combination of national presence, command and control infrastructure, and legal flexibility to support civil authorities in this manner.

In FY12, the ARNG supported COCOM exercises around the world. Engagement activities included building partner-

ships (mostly military to military); peacekeeping; providing national and security assistance; and conducting humanitarian, counterdrug, and counterterrorism operations. These activities provided in excess of 351,171 duty-days' worth of support to the COCOMs, equating to a one year mobilization of a 1,000 personnel light infantry battalion.

Support of the Homeland

All-Hazards Preparedness

All-hazards preparedness improves defense and inter-agency cooperation in domestic response. The new division coordination capability (DCC) enables the ARNG to identify available resources for all-hazards response. This is achieved through continuous assessment and coordination of state disaster response plans and capabilities. On behalf of the National Guard Coordination Center (NGCC), the DCC identifies scalable, capability-based ARNG forces at the state and unit level enabling rapid NGCC decision-making for state support requests.

Information Operations, Cyber Operations, and Electronic Warfare

The ARNG develops and invests resources across a broad base of capabilities to include Cyber, Information Operations (IOs), Space/Ground Missile Defense (GMD), Electronic Warfare, and Operations Security. We employ cutting-edge technology and draw Citizen-Soldiers from the best infor-

The ARNG demonstrated in FY12 that it is a relevant and ready force, as it has been for the last 375 years.

ARNG Duty Status Comparison

	State Active Duty	Title 32, U.S.C.	Title 10, U.S.C.
Command & Control	Governor	Governor	President
Where	Per State Law	United States	Worldwide
Pay	State	Federal	Federal
Mission Types	Per State Law (Riot Control, Emergency Response, etc.)	Training; Other Federally Authorized Missions	Mobilization and Deployment; Overseas Deployment Training
Discipline	State Military Law	State Military Law	Federal Military Law
Support Law Enforcement	Yes	Yes	No, except with specific authority

Table 2 - ARNG Duty Status Comparison

³COCOM, <http://www.dod.mil/pubs/foi/combatcomm.html> (accessed October 2012)



Photo by SGT Ruth McClary

PFC Kelly Graber, of the 211th Military Police Company, fires a 9mm pistol at a range during the Operation Panther training exercise. Graber, a native of Mora, MN, trained on specific techniques used by the North Carolina Army National Guard military police to fulfill annual training requirements. Operation Panther prepares soldiers for real-world scenarios and supports Mecklenburg County civil authorities for the Democratic National Convention, September 3–6, 2012.

mation technology firms in the nation to aid in ensuring the security of our nation.

For example, the Virginia Data Processing Unit provided cyber mission support to U.S. Cyber Command (CYBERCOM) and a State Partnership for Peace exchange with Great Britain. ARNG network defense teams also provided mission support to their governors. Finally, participation in Cyber Guard 2012, a federal cyber defense exercise, allowed the ARNG to establish itself as a critical asset for CYBERCOM and the Department of Homeland Security.

Innovative Readiness Training

The ARNG Innovative Readiness Training (IRT) program executed 34 projects with an overall budget of \$5.1M. The IRT program funds ARNG unit support for local community projects and provides humanitarian assistance to underserved populations when such activities support the unit's primary combat mission. For example, a combat engineer unit may be assigned to repair aging infrastructure in its state during Annual Training, thus providing real-world operational training while serving the local community.

Force Protection

The ARNG Force Protection Program ensures that ARNG facilities are appropriately protected and secure. The ARNG distributed \$119.0M in funding to the 54 states and territories in order to safeguard personnel, equipment

and facilities. Funding was used to support the Physical Security (PS), Antiterrorism (AT), Law Enforcement (LE), Military Working Dog (MWD), Visitor Control Program (VCP) and Emergency Management programs.

The PS Program provided physical protective measures, including contract security guards, maintenance and monitoring of intrusion detection systems and other access control systems with total program execution of \$108.2M. It supported 211 installations and facilities and more than 3,800 stand-alone arms, ammunition and explosive storage facilities. Training support provided 273 ARNG personnel with extensive knowledge on the PS Program and inspection processes.

The AT Program received \$6.9M for defensive measures to reduce the vulnerability of ARNG personnel and property from current and emerging threats. It received \$879,000 specifically for AT training, resulting in the qualification of more than 400 Soldiers and civilian personnel to perform AT duties.

The LE Program provided \$999,000 for the VCP, and the MWD programs, which provided support to federal, state and local law enforcement missions. The ARNG executed \$1.2M for Critical Infrastructure Protection-Mission Assurance Assessment teams to support all-threats and all-hazard risks assessments for the Army. Three teams—based in Colorado, West Virginia and New York—provided week-long, on-site assessments of critical assets deemed vital to

DoD mission success. Each team had six highly trained ARNG Soldiers supporting the Office of Secretary of Defense's overall responsibilities as set forth by Homeland Security Presidential Directive-7.⁴

Continuity of Operations Program, Arlington Hall Station

The purpose of the Continuity of Operations Program (COOP) at Arlington Hall Station (AHS) is to ensure mission-essential functions of the ARNG continue from designated alternate sites during any emergency or situation that disrupts, or could disrupt, normal operations. These activities must be fully operational within 12 hours and sustainable for at least 30 days. During FY12, the ARNG COOP office coordinated five deployments of emergency relocation personnel to alternate sites during exercises and real-world events. Integral to these deployments were rotary wing air evacuation drills for senior leaders from AHS to their respective alternate facilities. These complex operations required partnership with the Department of State, Federal Aviation Administration and Arlington County fire and police departments. This was the first time a senior leader evacuation rehearsal was executed at AHS. The ARNG COOP Concept Plan was accredited by Headquarters, Department of the Army (HQDA)—a biennial requirement by Army regulation. Finally, the ARNG COOP office also contributed to the execution



Photo Courtesy of ARNG

Arlington Hall Station serves as Readiness Center for the ARNG.

of over \$71.0M in Military Construction, National Guard (MCNG) funds in support of a new, dedicated ARNG COOP facility.

Defense Support of Civil Authorities

The ARNG continued its tradition as a proven, ready, capable and cost-effective force for national security and domestic response in FY12. Wildfires and extreme weather response and recovery marked significant contributions from the ARNG in support of governors and the nation. The ARNG's DSCA capability during FY12 was demonstrated during the following events:

- Wildfires: 2,111 Soldiers
- Hurricanes: 7,758 Soldiers
- Floods: 267 Soldiers
- Ballistic Missile Defense: 297 Soldiers
- Key Asset Protection: 327 Soldiers
- Support to Southwest Border: 195 Soldiers
- Search and Rescue: 164 Soldiers
- Winter Storm Support: 1,013 Soldiers
- Support to Law Enforcement: 804 Soldiers
- Civil Support Team Activations: 1,254 Soldiers
- Support to Asian Economic Summit: 1,293 Soldiers
- North Atlantic Treaty Organization (NATO) Summit: 1,071 Soldiers
- Republican and Democratic National Conventions: 3,560 Soldiers

The variety of planned support and unplanned disaster response again demonstrated the accessibility, flexibility, and speed that the ARNG is relied upon to provide. All of these missions were conducted either in state active duty (SAD) status or through matching individual or unit training to tailored response mission requirements.

Homeland Defense and Security

Chemical, Biological, Radiological, Nuclear and Explosive Program

The ARNG is the military's first responders for Chemical, Biological, Radiological, Nuclear and Explosive (CBRNE) incidents in the United States. The ARNG has 17 enhanced response force packages totaling 3,349 ARNG Soldiers, 10 Homeland Response Force (HRF) packages totaling 5,770 Soldiers, and 1 Command and Control CBRNE response element—Bravo (C2CRE-B) totaling 1,915 Soldiers. The C2CRE-B is comprised of Soldiers that are directed to respond as a Title 10 all-hazards response force. The

⁴For more information on the Homeland Security Presidential Directive 7: Critical Infrastructure Identification, Prioritization and Protection, visit <http://www.dhs.gov/homeland-security-presidential-directive-7#1>.

standup pay and allowance costs were \$11.6M, Operations and Maintenance, Army National Guard (OMNG) costs were \$2.6M, and HQDA funded \$9.5M for commercial off-the-shelf (COTS) search and extraction equipment. FY12 served as the C2CRE-B training year; the new mission was assumed on October 1, 2012.

National Special Security Events and Law Enforcement Support

NSSEs and LE support demonstrated how the ARNG matches capabilities with national and state requirements. The ARNG executed all funds in support of NSSEs and special significance events. There were several major events that were either designated NSSEs or events of special significance requiring ARNG support. Nearly 7,000 Soldiers provided security, transportation, logistics services and aircraft for these events. Enduring key asset protection and LE supported two states engaging more than 320 Soldiers. This year was a busy year for high visibility events that included the Republican and Democratic National Conventions, the G-8, NATO, and the Asian Pacific Economic Cooperation Summits.

National Capitol Region-Integrated Air Defense System

The National Capital Region-Integrated Air Defense System (NCR-IADS) mission for HD is a Chairman, Joint Chiefs of Staff and HQDA directed mission through Executive Orders

under the command and control of the North American Aerospace Defense Command and U.S. Northern Command (USNORTHCOM). Air Defense Artillery (ADA) units were ordered to deploy to the National Capital Region by the President immediately following the events of September 11, 2001. ARNG efforts to protect the National Capital Region includes the use of radar, ground-based air defense systems and communications equipment. The current NCR-IADS force structure rotating from six states consists of an ARNG ADA Brigade Headquarters, ADA Avenger Battalion and an element from the Eastern Air Defense Sector.

Ground Missile Defense Units

Deterrence is the watchword for ARNG missile defense units. ARNG provides the nation with full-time missile defense capabilities. Soldiers work together daily on Space and GMD exercises and missions. Alaska supported the 49th Missile Defense Battalion with ground-based interceptors; California supported the 100th Missile Defense Brigade detachment with ground-based interceptors; Colorado supported the 100th Missile Defense Brigade, which acts as an alternate Army missile defense command center.

Southwest Border

Over the past 20 years, ARNG Soldiers have supported civilian LE and border protection agencies in securing our Southwest Border. In FY12, more than 2,000 ARNG Soldiers supported this mission composed of early interdiction teams,



Photo by SFC Jon Soucy

SFC Jonathan Pearson, with the 166th regiment, Regional Training Institute, works through an engineering problem with combat engineers from the Ghanaian Army using a scale model of a bridge at the Ghanaian Army's Coker-Appiah Engineer Training School in Accra, Ghana. Pearson was working with the Ghanaian engineers as part of a week-long engineer course through the State Partnership Program, which partners National Guard units with 65 countries throughout the world as a way to foster greater relationships between nations.

aerial detection task forces, criminal analysts and other command and control and liaison personnel. Additionally, more than 20 aircraft from various states and territories rotated to support the Southwest Border mission. In FY12, execution for this enduring mission totaled \$64.8M.

Support to the Combatant Commanders

Overseas Contingency Operations

The ARNG continued predictable, rotational deployments in support of OCO worldwide. The ARNG simultaneously executed the final phase of the withdrawal and redistribution of equipment from Iraq (the largest logistics operation since World War II) while continuing to support coalition warfighters in the region. The ARNG executed the President's mandate to withdraw more than 5,000 Soldiers from Iraq by December 31, 2011, in addition to the previous drawdown of 43,000 Soldiers in FY11. This redeployment was in accordance with the security agreement to withdraw all forces from Iraq and complete the transition to the Department of State-led U.S. diplomatic mission in Iraq.

State Partnership Program

The SPP is an innovative DoD joint security cooperation program managed by the NGB. The program is executed by individual TAGs in support of combatant commanders theater campaign and country plans, as well mission resource requests from U.S. embassies under the authorities provided by DoD and Congress.

Since 1993, the Guard has established unique international partnerships and security cooperation activities that have led to lasting, positive institutional reform and enhanced security capabilities among 65 partner countries. What began as a response to the opening of eastern European nations following the fall of the Soviet Union has grown into a proven program for theater security cooperation through enduring state-country relationships within each COCOM.

The program matches a U.S. state's National Guard forces with a foreign country's defense or national security resources to share skills and expertise, share defense knowledge, enhance partnership capacity and further mutual security cooperation. The SPP is recognized by the DoD,

State Partnership Program by Command

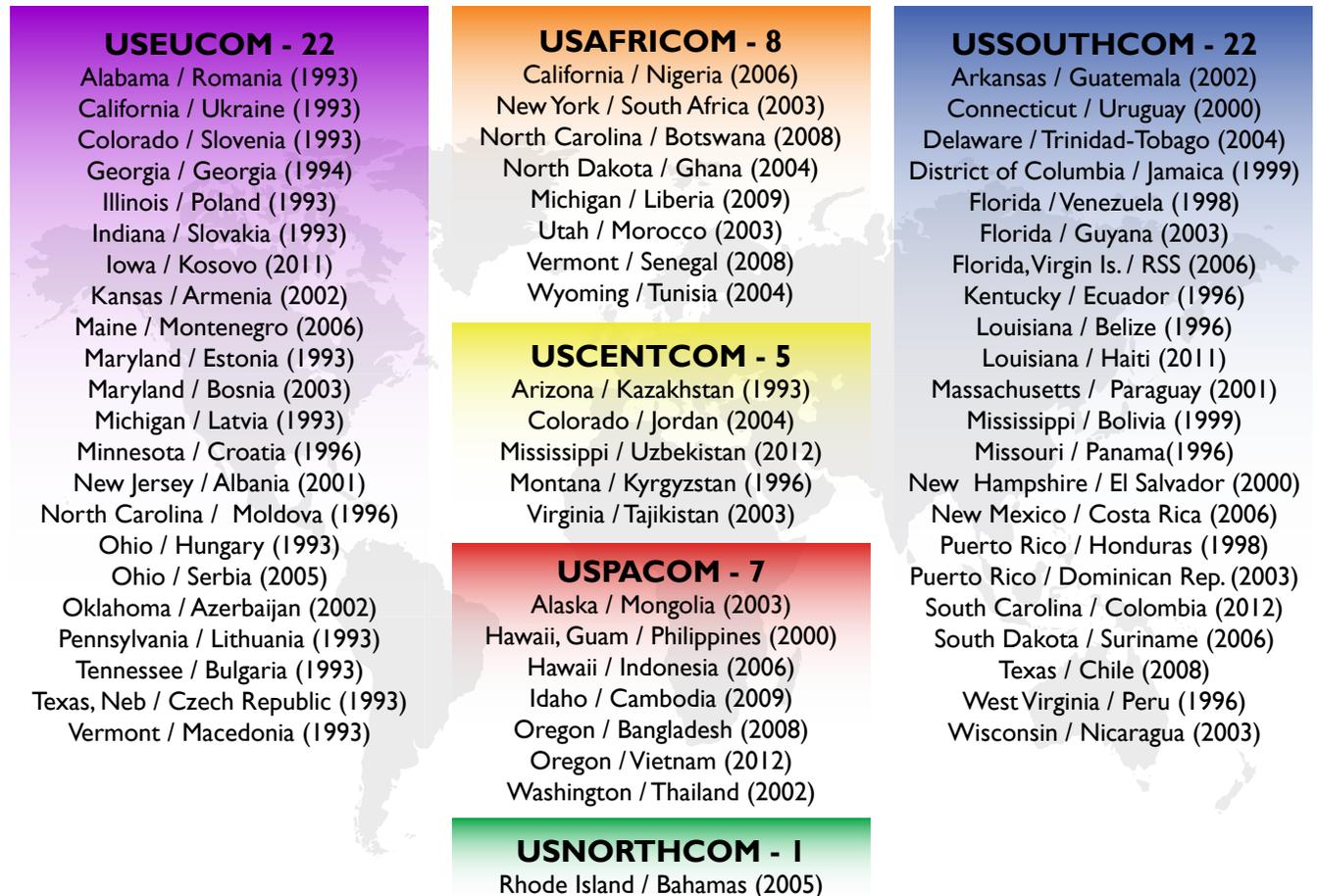
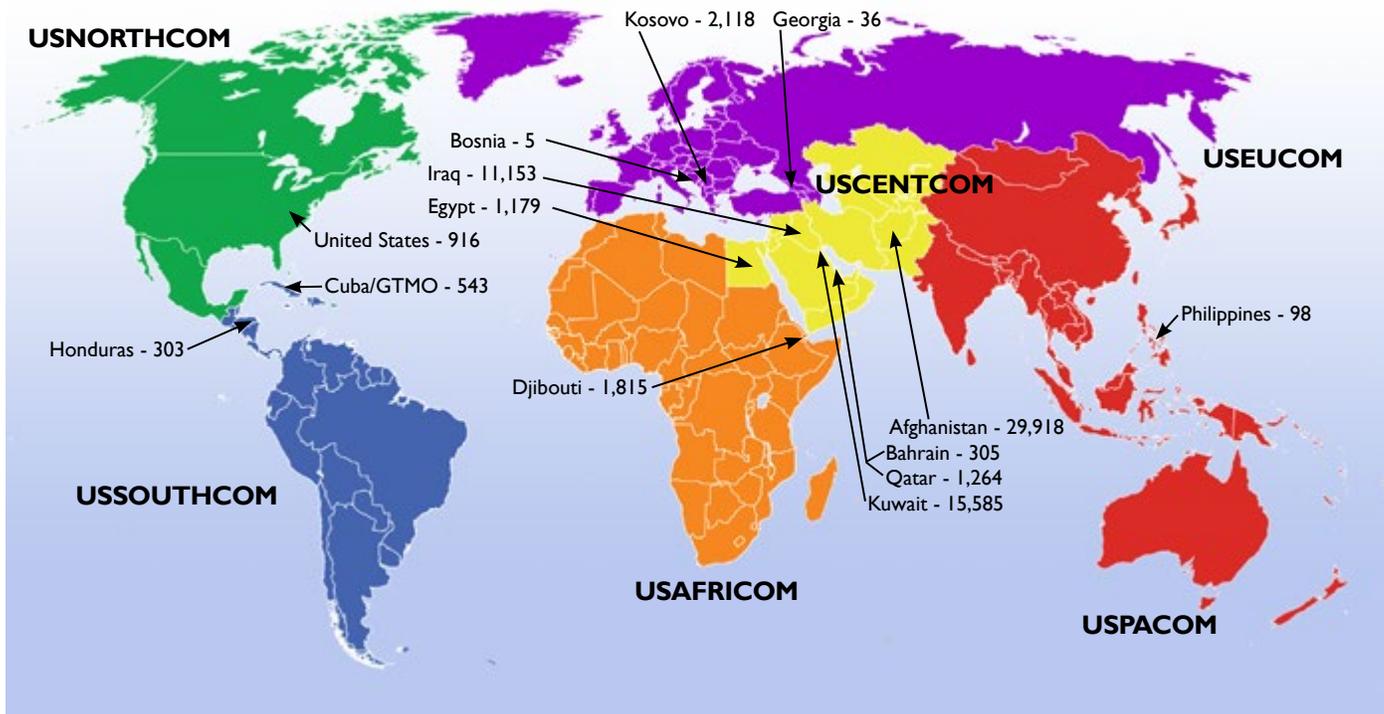


Figure 6 - State Partnership Program by Command

ARNG Support to Contingency Operations by Command



Note: 65,238 - Represents the cumulative total of ARNG Soldiers deployed overseas or mobilized within CONUS in support of contingency operations.

Figure 7 - ARNG support to Contingency Operations by Command

and Guard Soldier civilian skills sets are valued as part of these efforts. The Guard is a stabilizing presence and builds strong partnerships through robust military and interagency engagements. States assist partners to build their capacity to counter regional threats and enable them to deploy to international peacekeeping, coalition, stabilization missions and contingency operations in the interest of peace and security. States pursue a comprehensive approach to security cooperation and harness all capabilities of the U.S. and partner-country governments to establish enduring relationships and continue to build partner capacity and capabilities. In many of these partner nations, these relationships are the most prominent, durable and effective military connection with the United States.

United States Special Operations Command

The ARNG's 19th and 20th Special Forces Groups (SFGs), along with eight Special Operations Detachments (SODs), directly support combatant commanders worldwide through the U.S. Special Operations Command (USSOCOM).

In FY12, ARNG Special Operations Forces (SOFs) deployed one battalion-sized element in support of Operation Enduring Freedom (OEF) and deployed four company-sized elements supporting OEF-Afghanistan, OEF-Caribbean and operations in Central America. ARNG SODs also deployed command and control elements in support of U.S. Africa

Command (USAFRICOM) and OEF-Afghanistan. Elements of both SFGs also deployed to locations within South America and the Pacific Rim. ARNG SOFs also were active in counter narcotics operations, supporting 12 ongoing commitments in Southeast Asia and South America. Each ARNG SFG also supported a number of joint combined exchange training events at the operational detachment-A, or "A-Team," level in the Philippines, Nepal, El Salvador, Finland, Moldova, Greece, Croatia, Algeria, Morocco, Belize, Chile, Panama, Suriname, Guatemala and the Dominican Republic. The two SFGs utilized \$21.5M in support of 24 combined training missions with foreign national Soldiers, as well as conducting other Special Forces and pre-mobilization training and exercises.

In FY12, ARNG SODs participated in Chairman, Joint Chiefs of Staff exercises Cobra Gold and Baker Torch (Thailand), Key Resolve and Ulchi Freedom Guardian (Korea), Jackal Stone (Croatia), Eager Lion (Jordan) and Balikatan (Philippines). The SODs are aligned to their theater special operations commands within each COCOM, as well as USSOCOM. They are capable of forming the Army nucleus of a joint special operations task force, which can increase a COCOM's special operations force capabilities.

Building Partner Capacity

Building partner capacity through enduring relationships in the security cooperation domain are key components for



Photo by SGT Adam Fischman

Soldiers of Company C, 1st Battalion, 114th Infantry Regiment, New Jersey ARNG, fire 60mm mortar rounds down range during a field training exercise at Southern Accord 2012 at Shoshong Range in the Republic of Botswana, Africa.

the strategy “prevent, shape, win” from the Army’s FY12 Posture Statement.⁵ Phase Zero operations (government intervention in other countries designed to stabilize deteriorating conditions) are essential to securing U.S. strategic interests globally. Phase Zero operations deepen and strengthen a key regional or partner country’s positive perception of the United States as a valued associate. These efforts could ultimately “prevent conflicts,” a key objective in the 2010 Quadrennial Defense Review. Since theater security cooperation activities also sustain the readiness of the ARNG for both state and federal missions, they are a particularly cost-effective investment.⁶

Afghanistan Agribusiness Development

The ARNG deployed nine Afghanistan Agribusiness Development Teams (ADTs) to regional commands in the East, South and Southwest areas of Afghanistan. Deployed teams hail from Missouri, Texas, Kentucky, Indiana, Nebraska, Wisconsin, Georgia, Mississippi and South Carolina. The ADTs train and advise the Ministry of Agriculture, universities, high schools and local farmers. Team members bring professional civilian skill sets in agronomy (soil and seed science), irrigation, horticulture (plant cultivation), pest control,

veterinary techniques, civil engineering and energy management. To date, 41 teams (2,624 personnel) have operated in 15 provinces and contributed to more than 650 agriculture projects generating more than \$40.0M for the people of Afghanistan.

For example, on February 8, 2012, the citizens of the Alingar District received 2,400 saplings as an Arbor Day education initiative to demonstrate how important it is to plant young saplings. The trees, which varied from pomegranate, almond and persimmon, were presented to the elders of the village. This offering will bring a measure of independence to the villagers, who currently must travel great distances on foot to obtain the same fruits and nuts from market vendors.

Theater Security Cooperation

Each year the ARNG provides over 60 percent of the Soldiers requested by the Army Service Component Commands (ASCCs) to support military exercises worldwide. During FY12, the ARNG provided 20,307 Soldiers from 54 states, territories and the District of Columbia to support 41 military exercises in 104 allied countries. The ARNG also coordinated 3 unit-level and 79 individual exchanges between ARNG units and NATO countries.

Training and Exercises

ARNG Soldiers have the opportunity to conduct challenging, realistic, unit-based, collective training while providing critical capabilities to ASCCs. In FY12, six major exercises demonstrated the strategic benefits of ARNG Soldiers to ASCCs.

FY12 Support to Army Service Component Commands

Army Service Component Commands	Exercise Name	Soldiers and State Deployments
U.S. Army North (USANORTH)	Golden Coyote	945 Soldiers from 6 different States
U.S. Army South (USARSO)	Operation Beyond the Horizons	1,037 Soldiers from various States
U.S. Army European (USAREUR)	Saber Strike	91 Soldiers from Pennsylvania
U.S. Army Africa (USARAF)	Southern Accord	371 Soldiers from various States
U.S. Army Central (USARCENT)	Steppe Eagle	47 Soldiers from Tennessee and Arizona
U.S. Army Pacific (USARPAC)	Ulchi Freedom Guardian	531 Soldiers from various States

Table 3 - FY12 Support to Army Service Component Commands

⁵U.S. Army, 2012 Army Posture: The Nation’s Force of Decisive Action (Washington, DC: U.S. Government Printing Office), page 5, <http://www.bctmod.army.mil/downloads/pdf/2012%20APS.pdf> (accessed October 16, 2012).

⁶U.S. DoD News Briefing: Quadrennial Defense Review, <http://www.defense.gov/transcripts/transcript.aspx?transcriptid=817> (accessed December 16, 2012).

Strengthening Interoperability with Allies

American, British, Canadian, Australian and New Zealand Armies' Program

The ARNG continued to strengthen its defense relationship with our closest international partners. The American, British, Canadian, Australian and New Zealand Reserves Information Team held its annual conference in August 2012. Representatives discussed reserve issues, identified best practices and exchanged information on the operational experiences of reserve forces.

Military engagements with the Canadian Army were aimed at exercising and maintaining interoperability in order to meet shared strategic objectives, promote stability and security, and defeat persistent and emerging security threats. USNORTHCOM Canada-United States engagements were aligned to meet the USNORTHCOM commander's security cooperation strategy, which specified interoperability between the U.S. and Canadian Armies.

Reciprocal Unit Exchanges

The ARNG Small Unit Exchange Program involves two annual reciprocal exchanges of company size or smaller ARNG elements with designated units from the United Kingdom Territorial Army, Norwegian Home Guard and the German Army. During FY12, 3 unit exchanges of 135 Soldiers participated in reciprocal unit exchanges.

In addition, the Office of the Assistant Secretary of Defense for Reserve Affairs coordinates a Reserve Officer Foreign Exchange Program between the United States, the United Kingdom and the Federal Republic of Germany. During FY12, 79 Soldiers participated in reciprocal individual exchanges for 1,229 man-days.

Military Engagement Teams

The ARNG's Military Engagement Team (MET) initiative provides a security advise-and-assist capability to partner countries within various COCOMs. While the SPP is aligned by country, METs are aligned by world region. METs assist ASCCs and COCOMs by advising developing nations on improving internal defense capabilities and by providing assistance in establishing infrastructures and economic bases to promote regional stability. Specific missions and capabilities include:

- Civil Support
 - emergency preparedness
 - consequence management
- Law Enforcement Support
 - civil disturbance
 - counter-transnational criminal organizations
- Border and Transportation Security
 - international border security
 - air and sea port protection
- Protection of Critical Infrastructure
- Professional Military Training and Development



Photo by SGT John Crosby

Soldiers with 3rd Battalion, 116th Cavalry Regiment, 116th Cavalry Brigade Combat Team, prepare to engage targets with an M1A1 Abrams Main Battle Tank during a live-fire exercise at Gowen Field, ID. Soldiers from the brigade recently received the M1A2 Abrams Main Battle Tank System Enhancement Package Version II as well as updated versions of the M2A3 Bradley Fighting Vehicle and M3A3 Cavalry Fighting Vehicle. The unit was the first Army Guard unit, and among the first Army-wide, to receive the new vehicles.

Aviation Readiness

Since September 11, 2001, the ARNG has mobilized the bulk of its aviation assets, particularly aircraft and aircrews, to support aviation operations within the COCOMs. The ARNG has 12 aviation brigade headquarters: 8 Combat Aviation Brigades (CABs) and 4 Theater Aviation Brigades (TABs); however, our aviation units typically mobilize as battalion or company-level assets. An ARNG aviation brigade has about 2,600 Soldiers, including 350 aviators. The eight CABs include HH/UH-60A/L/M Blackhawk, CH-47D/F Chinook, and AH-64A/D Apache helicopters. In the ARNG, however, the second-attack helicopter battalion in six of the CABs has been replaced with a security and support (S&S) battalion equipped with UH-72A Lakota's. The TABs do not include AH-64A/D Apaches. Instead, TABs consist of HH/UH-60A/L/M Blackhawks, CH-47D/F Chinooks, and C-12/C-23 fixed-wing aircraft.

The ARNG aviation community flew missions outside the continental United States (OCONUS) in support of operations in Iraq, Afghanistan, Kosovo, Multinational Force and

Observers (MFOs)-Sinai, and Canada. The Aviation Air Operational Tempo (OPTEMPO) budget for the ARNG in FY12 was \$444.0M (including \$121.0M for OCO). This funding supported the Reset portion of Army Force Generation (ARFORGEN) and was pivotal in sustaining the rotary and fixed-wing fleet as it supported our nation's missions domestically and abroad.⁷

The dual-mission capabilities of ARNG aircraft and their crews augment the capabilities of local government and law enforcement.

Aviation readiness is critical to both state and federal missions. The dual-mission capabilities of ARNG aircraft and their crews augment the capabilities of local government and law enforcement,

providing military aviation assets with unique capabilities not matched by civilian aviation equipment.

The ARNG provides approximately 43 percent of the Army's total aviation assets. These aircraft are a critical force multiplier during OCO and are the most readily available aviation assets for DSCA.

Aviation in Support of Domestic Operations

Every year offers ARNG aviation a new set of domestic-civil emergency challenges. Requests for personnel, equipment and supplies were fielded throughout the United States in response to hurricanes, tornadoes, fires, floods and search and rescue (SAR) operations. In FY12, 5,150 ARNG aviators and aviation crew members flew 1,406 missions and more than 4,300 hours in support of domestic operations across the country. Specifically, more than 1,400 hours were flown, and more than 5.6 million gallons of water were dropped to combat wildfires; 312 flight hours were flown in response to tornadoes, floods and SAR.

While no major hurricanes (Category 3 or above) made landfall on the Continental United States (CONUS) in 2012, Hurricane Isaac, a Category 1 storm, directly hit several Gulf Coast states, causing significant flooding in parts of Louisiana and Mississippi. In preparation, ARNG aviation crews worked with state Army aviation officers to build a force package of 100 rotary-wing and 33 fixed-wing aircraft to support the affected states on short notice. An emergency management assistance compact request for two CH-47s was submitted by Louisiana ARNG in response to damage sustained by Hurricane Isaac and was supported by Florida ARNG. In addition, ARNG aviation provided aircraft and aircrews in support of federal law enforcement agencies at the Democratic and Republican National Conventions.



Photo by SGT Joshua Edwards

Company C, 4th Battalion, 118th Infantry Regiment, South Carolina National Guard soldier launches a Raven reconnaissance aircraft during an urban live-fire exercise, Fort Irwin, CA.

⁷Army's Posture Statement 2012, Reset "How the Army Builds Readiness Reset; Train/Ready and Available. https://secureweb2.hqda.pentagon.mil/vdas_armyposturestatement/2012/addenda/addenda_g.aspx (accessed December 16, 2012).

Aviation Training Sites

The Eastern, Western, fixed-wing and high-altitude ARNG Aviation Training Sites (AATS) conducted ARNG-unique aviation training as well as augmented the Army's overall training capacity to meet both surge and sustainment training needs. During FY12, AATS trained more than 1,150 aviators and more than 600 enlisted crew members, while performing more than 14,500 flight hours in support of courses. The Eastern AATS (EAATS) in Pennsylvania focused on utility and cargo aircraft training. During FY12, the EAATS began conducting qualifications on the CH-47F, in addition to its normal CH-47D, UH-72A, and UH-60A/L work.

The Fixed Wing AATS (FWAATS) in West Virginia conducted graduate-level fixed-wing training on the C-12, C-23 and C-26 aircraft. During FY12, FWAATS also began qualifications for Aerial Sensor Operators in support of the ongoing Observe, Detect, Identify and Neutralize mission in Afghanistan. The FWAATS was awarded the title of Learning Institution of Excellence. This is the only Army training site that provides Army aviators (Active Component [AC]), USAR and ARNG fixed-wing training. This instruction is conducted in the C-23, C-12, KA300 and C-26 aircraft.

The Western AATS (WAATS) in Arizona historically focused on attack and reconnaissance aircraft training, and it continues qualifying aviators on the AH-64D and OH-58A/C. During FY12, however, WAATS also began developing the capability to qualify on the UH-60 and UH-72, reflecting the increased Army-wide requirements for training on these airframes.

The High-altitude AATS (HAATS) in Colorado conducts mountain-flying and power-management training for aviators of all components, as well as for other services and nations. This training proved especially beneficial for those aircrews deploying to Afghanistan. As requirements evolve, AATSs provide the aviation enterprise with a flexible and responsive training capability that both supplements and complements the Aviation Center of Excellence at Fort Rucker.

A recent addition to the ARNG aviation training system is the ARNG Unmanned Aircraft System Regional Flight Center (UASRFC) at Camp Shelby, Mississippi. The UASRFC differs from the AATS locations in that it does not conduct individual qualification training but, instead, is focused on unit-level collective sustainment training for the 30 Shadow Tactical Unmanned Aviation Systems (TUAS) units in the ARNG. It is also available to active Army TUAS units on a space-available basis. The UASRFC has superior year-round flying weather, equipment, facilities and trained TUAS assistance personnel that enable visiting TUAS units to "walk in the door" and immediately begin intense training on their combat tasks.

Theater Aviation Sustainment Maintenance Groups

The ARNG Maintenance Program provides sustainment level maintenance in support of the ARNG aircraft fleet. The Theater Aviation Sustainment Maintenance Groups (TASM-Gs) provide aviation maintenance support on a regional basis to the state Army aviation support facilities through the Repair



Photo Courtesy of IL ARNG

SPC Andrew T. Hohimer, crew chief, Company B, 2nd Battalion, 238th Aviation Regiment in Peoria sits on the ledge of a Chinook helicopter as it flies over the Mississippi River in Minnesota.



Photo by TSgt Andrew L. Jackson

Hawaii Army National Guard, 140 Aviation's Lakotas replaced the vintage UH-58 Kiowa observation helicopters.

and Return Program and the Repairable Management Program for aircraft and aircraft components. The TASM-Gs are cost-effective organizations that save the Army \$350 to \$550 per aircraft flight hour based on type, model and series of the airframe. In addition, the TASM-Gs are increasing their national maintenance program capabilities that will support work funded under the Army Working Capital Fund. The TASM-Gs also supported the warfight; for example, the 1109th TASM-G from Connecticut ARNG provided depot-level support in Afghanistan.

Aviation Logistics Facilities

ARNG aviation units operated from 105 ARNG aviation support, training and maintenance facilities, with one additional facility nearing completion. In FY12, the ARNG began or completed eight aviation facility construction projects—at a cost of \$197.9M to support force modernization—and six TUAS facility projects to support new unit and equipment fielding. The Future Years Defense Program (FYDP) for FY13 to FY17 includes nine new aviation facility construction or facility-improvement projects to enable support facilities and AATC to meet ARNG aviation training, maintenance and mission requirements.

Operational Support Airlift Agency

The Operational Support Airlift Agency (OSAA) is a HQDA field operating agency under the NGB. It provides management, oversight and execution of a geographically dispersed fleet of turbojet and turboprop fixed-wing aircraft.

The OSAA provides exceptional utility and airlift support in C-12, C-26 and UC-35 aircraft, as well as light cargo and paratroop support with C-23 Sherpa aircraft. These ARNG fixed-wing detachments cover 50 states, the District of Columbia and two territories with 52 state flight detachments, 5 theater aviation companies, 4 regional flight centers and the Fixed Wing ARNG Aviation Training School. OSAA's subordinate unit, Operational Support Airlift Command (OSACOM), provides the command element for individual detachments to transition from Title 32 status to Title 10 status to conduct OCONUS missions. Under OSACOM, the four regional flight centers that serve as CONUS rotation bases for active Army fixed-wing aviators deploy as necessary to support the warfight, often satisfying short notice requests for forces. OSAA provides operational support, standardization, safety, budget and maintenance support to all of the ARNG fixed-wing units.

The ARNG also supports a broad spectrum of other fixed-wing operations: intelligence, surveillance and reconnaissance (ISR), electronic attack (EA), and direct support of other deployed forces and SOFs. In FY12, combat support from OSAA included transporting time-sensitive and mission-critical supplies and personnel to troops in Iraq, Kuwait, Afghanistan, Oman, Qatar, Bahrain, Egypt, Jordan and the Horn of Africa—more than 48,000 flight hours, moving more than 60,000 passengers and 2 million pounds of cargo.

ARNG utility fixed-wing units are scheduled to convert from Table of Distribution and Allowances (TDA) to approved Modification Table of Organization and Equipment (MTOE). The utility fixed-wing units will be converted and activated in accordance with an approved MTOE in FY15. The conversion will reduce aviator-to-aircraft ratios from 3:1 to 2:1 and will reduce overall pilot experience due to a lower MTOE grade structure.⁸

⁸TDA units are organized to perform specific missions and are discontinued as soon as their assigned missions have been accomplished. TDA units are considered nondeployable, even when organized overseas, as their missions are normally tied to a geographic location. MTOE is an authorization document that prescribes the modification of a basic table of equipment. It prescribes wartime mission, capabilities, organizational structure, and mission essential personnel and equipment requirements.

Rotary and Fixed-Wing Aircraft, Unmanned Aviation Systems

ARNG aviation units generally mirror the AC organizational structure and benefit from a strong modernization program. The eight ARNG CABs, four TABs and one Air Cavalry Squadron constitute 100 percent of necessary aircraft, except for the AH-64D fleet which is close to 75-percent filled.

Rotary Wing Aircraft

The emphasis now is on upgrading or replacing old model aircraft with current upgraded versions. The equipping and modernization details for each type of aircraft system in the ARNG are covered below.

UH-72A Lakota



Photo by TSgt Johnathon Orrell

The ARNG has an Army-approved fielding plan for 210 UH-72A aircraft by end of FY15. At the end of FY12, a total of 125 UH-72As were fielded in the ARNG. The UH-72A aircraft is a COTS product with a mission profile that includes reconnaissance, observation, air transport, medical evacuation (MEDEVAC) and aerial command and control for homeland defense and overseas operations in permissive, nonhostile environments. Of the 210 aircraft, 144 will be assigned to the 3 of the 6 S&S aviation battalions at 24 aircraft per battalion and a total of 48 UH-72A MEDEVAC configured aircraft will be assigned to equip the fourth flight company of the sixth S&S battalions. An additional 18 aircraft will be incorporated within the AATS program. One hundred of the S&S aircraft will be retrofitted with a mission equipment package (MEP) consisting of the following: electro-optical and infrared sensor; searchlight, moving map display, cockpit screens, cabin operator screen, digital video recorder and data down link. The cost of MEPs is approximately \$1.5M per aircraft and is funded by National Guard and Reserve Equipment Appropriation (NGREA). A shortfall of \$26.0M remains to complete MEP procurement. These UH-72 aircraft gradually are replacing obsolete OH-58A/Cs in the ARNG's six S&S aviation battalions that play a significant and continuing role in meeting the nation's homeland security requirements by providing support to civil authorities.

AH-64A/D Longbow Apache



Photo by SFC Britney Bodner

The AH-64D Longbow Apache is the world's most advanced attack helicopter and continues to be developed using state-of-the-art technology. The Army has completed the induction for remanufacturing ARNG AH-64A aircraft and now is in the process of inducting both AC and RC AH-64D Block I Apache aircraft into remanufacturing a facility production line where they are converted to Block II AH-64D aircraft. The ARNG continues to field Block II, with two of four attack battalions fully fielded, a third in fielding and the fourth to commence in April 2013. Although there is no official Block III ARNG fielding plan in place, the first ARNG aviation units likely will field Block III in FY16 or FY17. At the end of FY12, the ARNG has an inventory of 74 Block I and 69 Block II aircraft.

UH-60A/L/M Blackhawk



Photo by SGT Roberto Di Giovine

The ARNG concluded FY12 with a mix of UH/HH-60M, UH-60L and UH-60A utility helicopters in its fleet, having phased out the final UH-1 Vietnam-era helicopters at the end of FY09. The ARNG has a requirement for 849 H-60 helicopters (534 UH-60 utility and 315 HH-60 MEDEVAC). By the end of FY12, the ARNG had 814 H-60s, 71 of which are H-60M, (i.e., the state-of-the-art digitized platform). The current schedule calls for the ARNG to receive the balance of its 849 H-60 requirements by end of FY17. Now that the ARNG is within reach of its full requirement of 849, the priority has shifted to the quickest possible divestment of the 30-year-old UH-60A Blackhawks and is replacing them with the mod-

ern L models. The scheduled conversion will result in 201 H-60Ms being fielded by FY19, with the majority of the remaining H60s being L models. Conversion of the 21 ARNG MEDEVAC companies from 12 to 15 aircraft, which was approved in FY10, continued during FY12. Like the fielding plan for completing the ARNG H-60 fill, conversion of the MEDEVAC companies to the new force structure design should be completed by FY17.

CH-47F/CH-47D Chinook



Photo by SPC Britney Bodner

By the end of FY12, the ARNG met its authorization of 161 CH-47 aircraft, of which 37 are CH-47Fs (the remaining are CH-47Ds). In FY11, the ARNG received its initial delivery of the advanced CH-47F model. Fielding of the CH-47F model to the ARNG is scheduled to continue until all D models are replaced and a CH-47F-pure fleet is achieved by the end of FY17.

Fixed-Wing Aircraft

ARNG fixed-wing aircraft (managed by OSAA) provide airlift capabilities, training, emergency response and executive transport services for the Army, both CONUS and OCONUS. These aircraft also continue to perform critical strategic missions in support of the warfighter, as they have for the last 12 years. Below are the four fixed-wing aircraft types that comprise the ARNG fleet.

C-12U Huron



Photo by SSG Samuel Morse

The C-12U Huron is a twin-engine turbo prop passenger airplane capable of transporting eight personnel for high-priority missions. There are 57 C-12s in the ARNG

fleet, with five deployed in support of combat operations. When stateside, these aircraft maintain wartime readiness by executing real-world OSAA missions and by transporting critical DoD leadership and staff in a time-sensitive and efficient manner. C-12s also transport emergency managers and state officials for civil support missions at home.

C-26 Metroliner



Photo Courtesy of ARNG

The C-26 Metroliner is the military version of a civilian twin-engine turbo prop passenger airplane capable of transporting 14 personnel for high-priority missions. There are nine C-26s in the ARNG inventory, with two deployed in support of combat operations.

C-23 Sherpa



Photo by SPC Darriel Swatts

The C-23 Sherpa is a twin-engine turbo prop cargo airplane capable of transporting up to 3,000 pounds or 19 combat troops. This paradrop-capable aircraft was used extensively in Iraq to support time-sensitive, mission-critical requirements for special operations and other forces. The C-23 is used stateside to support the ARNG maintenance facilities by ensuring critical helicopter components are accessible in a timely manner. In addition, C-23 Sherpa aircraft and crews are expanding their support for special operations training after the withdrawal of C-23 forces from Iraq in December 2011. Units and Soldiers conduct free-fall training, as well as transport more than 44,000 pounds of air-droppable equipment and 11,000 jumpers annually. Other missions include DSCA, hurricane relief operations and NSSE. Currently, there are 38 C-23s in the ARNG inventory. Two C-23s provide aviation support to the MFO Mission in the Sinai.

UC-35 Citation



Photo Courtesy of ARNG

The UC-35 Citation is a twin-engine passenger jet capable of transporting up to seven personnel for high-priority missions. There are four UC-35s in the ARNG inventory. When stateside, these aircraft maintain wartime readiness by executing OSAA missions, transporting critical DoD leadership and personnel in a time-sensitive and efficient manner.

Tactical Unmanned Aircraft Systems

The ARNG is involved fully in two of the Army's three primary TUAS programs: Raven, Shadow and Gray Eagle. Taken together, these systems provide TUAS support to combat elements from the platoon up through the division level. The ARNG possesses the Raven and Shadow, but not the Gray Eagle.

Raven



Photo by SSG Kyle Richardson

The ARNG will field a total of 982 systems (three air vehicles each) of the RQ-11 Raven-B Small Unmanned Aircraft Systems. Nine-hundred of these are being field-

ed to all battalions within the 28 Brigade Combat Teams (BCTs) and two ARNG SFGs. The remaining 82 aircraft will be fielded to selected military police companies, engineering companies (Sapper) and other units.

Shadow



Photo by SPC Sinthia Rosario

Each of the ARNG's 28 BCTs and 2 SFGs include a platoon (one Shadow platoon has four aircraft) of RQ-7B Shadow TUAS. The Shadow fielding, which was completed in FY12, is scheduled to be upgraded to the improved RQ-7Bv2 between FY14 and FY18. Use of the Shadow in combat operations has grown at an accelerated pace with the TUAS units operating at six times the originally projected flying hour rate. After FY14, the Army plans to extend the TUAS fielding program to include full-spectrum CABs and Battlefield Surveillance Brigades (BFSBs). Inclusion of these two units will expand the ARNG's TUAS requirement from 30 to 35 systems.

Gray Eagle



Photo by SGT Ken Scar

The Army's third TUAS program of record is the large MQ-1C Gray Eagle extended range/multipurpose TUAS, a critical combat system at the division level. Due to Army funding and equipment shortages, this system will not be fielded to the eight ARNG divisions. Instead, the Army will form a limited number of Gray Eagle companies within the AC and will provide a Gray Eagle company from this pool to any ARNG CAB that deploys to a theater where this type of support is required.

Training Readiness

Over the course of its 375-year history, the ARNG has never been better trained and more ready to serve as a Hometown Force with Global Reach. ARNG units have been integrated with Army and USAR units in large-scale, live-training exercises and environments, especially over the last decade. These opportunities have enabled ARNG units and Soldiers to remain indistinguishable and interchangeable with their AC counterparts, ready to mobilize with AC forces for federal missions worldwide.

The ARFORGEN has enabled the ARNG (as a part of the Total Force) to successfully satisfy the high demand for conventional ground forces. ARFORGEN is defined as the structured progression of unit readiness over time, resulting in recurring periods of availability of trained, ready and cohesive units. These units are prepared for operational deployment in support of combatant commanders. ARFORGEN requirements drive priorities for recruiting, organizing, manning, equipping, training, sustaining and mobilizing units on a cyclical basis.

Mission Command Training Support Program

The ARNG Mission Command Training Support Program (MCTSP) enables units to meet ARFORGEN collective training objectives in preparation for unified land operations in joint, interagency, intergovernmental multinational environments.

The MCTSP structure is comprised of mission training complexes located at Camp Dodge, Iowa; Fort Indiantown Gap, Pennsylvania; and Fort Leavenworth, Kansas. In FY12, MCTSP executed \$49.3M, training one division staff, five BCT staffs and the equivalent of 113 battalion staffs (approximately 37,600 Soldiers). Training significantly enhanced the mission command capabilities of ARNG Soldiers, staff and commanders—better preparing them for mobilization, deployment and homeland defense missions.

Professional Education Center

The ARNG's Professional Education Center (PEC), located in Little Rock, Arkansas, is the focal point for educational benefits for ARNG Soldiers, their dependents and civilian employees of the ARNG. The education center provides the following services:

- GI Bill eligibility analysis, educational counseling, degree planning and various other educational services for Soldiers and the education offices in all 54 states, territories and the District of Columbia
- Counseling and assistance to Soldiers and civilian workers who visit for conferences and resident classes
- Information about the active duty, reserve and mobilization Montgomery GI Bills, the ARNG Montgomery GI Bill Kicker and the Work Study Program



Graduates of the National Guard General Education Development (GED) Plus Program proudly hold their GED credentials at a graduation ceremony at the Professional Education Center at Camp Robinson in Little Rock, AR.

Photo by CPT Kyle Key

- Guidance to Soldiers on various educational assistance programs, including federal and AC tuition assistance, state-funded programs, Reserve Officers' Training Corps scholarships and the Student Loan Repayment Program
- Information about testing programs for college credit, such as: the College Level Examination Program, college admissions exams (such as the Scholastic Assessment Test, Graduate Record Exam and Graduate Management Admission Test), certification and licensing exams, as well as test preparation programs
- Assistance in administering General Education Development (GED) Plus testing to new recruits
- Dissemination of information about, and counseling on, programs such as Troops to Teachers, Spouses to Teachers, Servicemembers Opportunity Colleges, eDISCOVER, Army e-Learning and the Army Corps of Engineers Army Registry Transcript System
- Identification of, contact with and tracking of junior officers without degrees, helping them along the path to degree completion, thereby increasing their retention rate in the ARNG.

Individual Training

Currently, the ARNG duty Military Occupational Specialty (MOS) qualification rate is near 94 percent. The number of Soldiers requiring reclassification to another MOS has been kept to a sustainable level of four percent going into FY12. Another success story for the ARNG is our backlog reduction of more than 3,000 Soldiers in Professional Military Education. The ARNG implemented a strategy to improve overall training quotas by working closely with the state managers. Proactive management and involvement at all levels within the states and territories proves that the sufficient education resource levels equate to success.

Distributed Learning Program

The ARNG Distributed Learning (DL) program uses information technology to develop and deliver instruction that enhances and extends traditional methods of learning. It provides commanders with alternative methods to deliver required training for their Soldiers, enabling flexible schedules and expanded training opportunities. The DL program produces online content that addresses ARNG-specific training requirements, and it operates a nationwide network of DL classrooms that support training at home stations. In FY12, ARNG Soldiers completed more than 346,000 hours of online instruction in DL classrooms nationwide, reducing travel costs and time away from Soldiers' home station.

Premobilization Training Assistance Element

The Premobilization Training Assistance Element (PTAE) program provides for predeployment training of RC Soldiers in their home state, thereby decreasing their total deployment time. In the past, Soldiers started their deployments with up to six months of training away from home and private sector employment prior to shipping overseas. Due to a 2007 directive by then-Secretary of Defense Robert Gates, premobilization training has been shortened to 2 months in an effort to limit RC deployments to a total of 12 months.

Preparing Soldiers to be combat ready in a shorter time period has moved premobilization training to the deploying unit's home state by using PTAE teams and the eXportable combat training capability (XCTC). Instead of being at a mobilization site four to six months prior to their overseas deployment, the training is completed prior to mobilization. On drill weekends, the deploying units complete the 15 required warrior tasks and, during Annual Training, they complete the 4 required battle drills.



Photo by SPC Ariel Solomon

Soldiers train in Army combatives as part of Panther Strike 2012 in the Camp Williams Readiness Center. Panther Strike is an annual military intelligence exercise designed to provide collective training and evaluation of intelligence assets from the team to the brigade-intelligence-staff level in a deployment-based scenario.

Soldiers undergo a variety of evaluations both before and after deployment to determine whether they have been adversely impacted by events during their deployment. In accordance with Secretary of Defense Guidance, the PTAE program implemented new premobilization training and evaluation concepts. The new PTAE premobilization evaluations reduce time spent assessing Soldiers for deployment-related cognitive and motor skills during the postdeployment period by focusing on improving premobilization training and evaluation processes. The PTAE also provides an impartial evaluation of home station training to assist TAGs in improving pre- and postmobilization training in their state. The PTAE Program was funded \$78.2M in supplemental funds for OCO to support the premobilization certification of more than 26,000 ARNG Soldiers for mobilization. The 54 PTAE teams provided training assistance and certification implemented at every training location for Soldiers preparing for deployments.



Photo by SPC Brenda Thomas

Members of the 20th Special Forces Group (Airborne) exit a training building known as a “shoot house” after breaching and clearing all rooms inside. Instructors observe from the catwalk above to assess the Soldier’s performance during qualification training at Fort McClellan, AL.

eXportable Combat Training Capability Program

The ARNG XCTC program enables BCTs to achieve platoon-level maneuver and live-fire proficiency prior to entering a CTC and to achieve company-level proficiency (maneuver and live fire) for multifunctional brigades prior to entering the available force pool.

The XCTC program delivers realistic, doctrinally focused training to enable commanders to meet training objectives. Training in FY12 included exercises for 4 BCTs and 2 multifunctional brigades resulting in more than 8,500 trained Soldiers. This training was conducted at Camp Blanding, Florida; Yakima Armory, Washington; and Camp Ripley, Minnesota at a cost of \$43.0M in OMNG funding. There are five BCTs scheduled and three multifunctional brigades scheduled to conduct XCTC rotations in FY13.

Combat Training Centers

The ARNG executed \$27.0M of pay and allowances in FY12 in support of deployments to CTCs, enabling 30 units to participate at the National Training Center (NTC) at Fort Irwin, California, the Joint Readiness Training Center (JRTC) at Fort Polk, Louisiana, and a mission command training program rotation (Fort Leavenworth, Kansas). These collective training exercises meet HQDA training requirements and allow ARNG units to receive large-scale, realistic field training, simulating wartime operations. The ARNG will continue to send two BCTs to the NTC; two BCTs to the JRTC; and two divisions, six BCTs and six multifunctional brigades to a war-fighter exercise every year. The CTC program ensures the ARNG is operational and available to COCOMs according to the Army Campaign Plan and Army training strategy.

Warrior Training Center

The ARNG Warrior Training Center (WTC), located at Fort Benning, Georgia, trains and assesses ARNG Soldiers, other DoD service members and foreign military personnel in functional skills, including: modern Army combat, Air Assault and Pathfinder skills; Abrams tank training, and vehicle crew evaluator courses.

During FY12, WTC trained 5,329 Soldiers using a staff of 16 officers, 7 Army civilians and 100 noncommissioned officers. The WTC hosted and conducted the ARNG Best Warrior competition and the ARNG Combative Tournament, with 147 competitors.

The WTC courses support and greatly improve the operational readiness of the ARNG. In addition to the formal points of instruction, the WTC supports ARNG units by conducting Inactive Duty Training/Annual Training with logistical support, billeting, training facilities, classrooms and subject matter experts.



Photo by SSG Helen Miller

Michigan Army National Guard Infantry soldiers and reserve Officer Corps Training cadets, from the 125 Infantry rear detachment, train on the EST2000, engagement skills trainer, an automated computerized simulator that provides realistic weapons qualification and familiarization to soldiers.

Training Support

The ARNG Training Support Branch provides ARNG commanders with training support policy, strategies and resources that deliver products, services, facilities and sustainment to support operations and institutional training. The branch manages four programs totaling \$104.3M: The Range and Training Land Program (RTLTP), Integrated Training Area Management (ITAM), Soldier Training Support Program (STSP) and Asymmetric Threat Training Support (ATTS). RTLTP executed \$39.5M to sustain and operate ARNG ranges, support deploying unit training and construct small arms ranges (\$10.0M in 23 projects). ITAM executed \$23.0M to repair, reconfigure and sustain 1.3 million acres of training land at 61 different training sites in 40 states. STSP executed \$31.5M to maintain training aids, devices, simulators and simulation devices, construct TADSS facilities and storage, and manage 12 training support centers. ATTS executed \$10.3M to sustain 26 home station training firing lanes and to provide counter improvised explosive device (IED), asymmetric warfare expertise to ARNG units throughout the ARFORGEN cycle.

Total Army Language Program

The Total Defense Language Program (TDLP) delivered foreign language refresher, remediation, sustainment, enhancement and cross-training of linguists for 3,306 ARNG Military Intelligence (MI) Soldiers. This program executed \$2.6M in OMNG funding. The ARNG benefited from this program by developing stronger, more proficient linguists and improving the language proficiency of 500 Soldiers. The program plays a critical role in bridging the training and sustainment gap between the classroom and field learning environments. In addition, TDLP enables ARNG linguists to support and enhance the SPP, allowing for improved communications between ARNG Soldiers and host nation forces.

Intelligence Readiness

The Foundry program is an Army training and operational program designed to sustain perishable intelligence capabilities through live environment training. The program allows ARNG MI Soldiers to develop regionally focused analytical skills, technical training and functional expertise for tactical intelligence missions. The ARNG trained more than 9,566 MI Soldiers from 54 states and deployed approximately 1,100 MI Soldiers in support of operational missions. Foundry addresses the need for focused MI training in a real-world environment and provides special certifications for all intelligence disciplines. Project Foundry supports the Army Chief of Staff's mandate for "MI to maintain contact with the enemy," ensuring that ARNG MI Soldiers remain current, relevant and connected to the intelligence community beyond mobilizations and deployments.⁹

Urban Training

The Muscatatuck Urban Training Center (MUTC), located near Butlerville, Indiana, is a secluded, self-contained community. The 1,000-acre site was turned over to the Indiana Army National Guard in July 2005 and since has been continually evolving into a full-immersion contemporary urban training environment. The Wolf Operations Group, operating out of the MUTC, trains up to brigade-size elements in domestic and joint urban warfare operations. The MUTC has a 180-acre reservoir and urban infrastructures consisting of a school, hospital, dormitories, light industrial structures, single-family dwellings, a dining facility and administrative buildings, totaling approximately 850,000 square feet of floor space.



Photo by SFC Brad Staggs

A Soldier training during an exercise Vibrant Response 13 at Muscatatuck Urban Training Center, IN.

⁹Army Regulation 350-32, Army Foundry Intelligence Training Program, July 10, 2010.

Soldier Readiness

The ARNG provides a dual military force, capable of responding domestically to natural disasters and other emergencies while maintaining an operational force prepared for unified land operations worldwide. ARNG Soldier and unit readiness is a key element in meeting the strategic imperatives set forth by LTG Ingram. Readiness of the force is achieved through four avenues: manning, training, developing and supporting. Manning the force is the initial step in building a ready ARNG by attracting high-quality, motivated citizens to become ARNG Soldiers. Training the force transforms volunteers into Citizen-Soldiers ready and willing to meet the challenges of domestic and deployed missions. By developing the force, the ARNG provides Soldiers with opportunities for professional, educational and personal betterment to maintain a superior, all-volunteer force. Through supporting the force with full-time personnel and enhanced personnel systems, the ARNG conducts the critical daily operations required to preserve the traditional National Guard force structure. The programs that enhance Soldier readiness are crucial elements in the nationwide imperative to man, train, develop and support the ARNG's Hometown Force with Global Reach.

The readiness of the ARNG's Soldiers and units is a key element in meeting the strategic imperatives set forth by LTG Ingram, Director, ARNG.

Manning the Force

Recruiting and Retention

The ARNG provides policies, programs, resources, procedures and guidance to the 54 states, territories and the District of Columbia to meet their end-strength objectives, personnel readiness posture and diversity in accordance with the strength-maintenance philosophy. Recruiting and retention is the foundation of personnel readiness within the ARNG. Each state and territory maintains a recruiting and retention battalion that is charged with recruiting and retaining quality individuals.

During FY12, funding allotted for recruiting and retention met accession and reenlistment goals nationwide. The ARNG accessed 47,997, reenlisted 49,272 and maintained an authorized end strength of 358,200 Soldiers. The ARNG achieved 100 percent of the recruiter production mission and 104 percent of the total recruiting mission. AC to National Guard transfers accomplished 156 percent of transfer goals. The ARNG accessed to critical and low-density MOSs. Credit for these successes is attributed principally to the 3,700 ARNG recruiters and various recruiting and retention

SOLDIER READINESS

ARNG Accessions

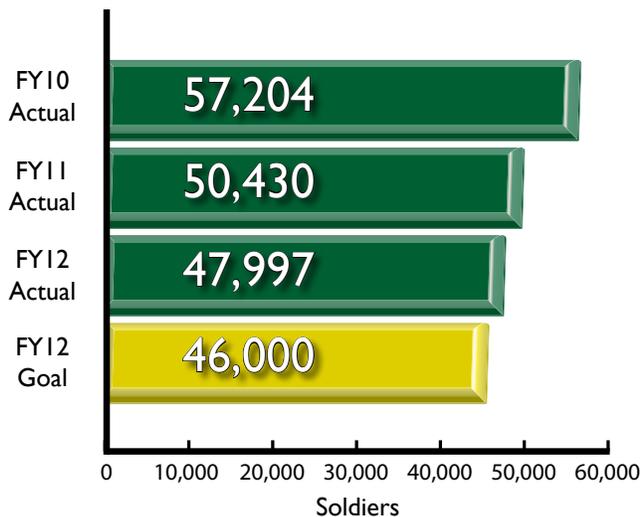


Figure 8 - ARNG Accessions

ARNG Retention

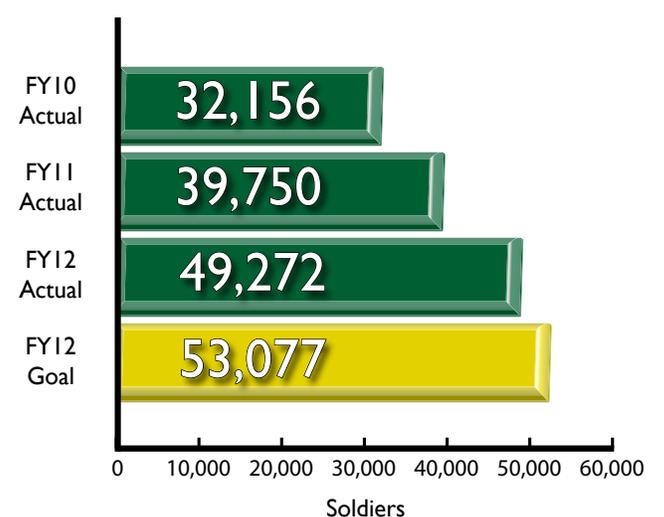


Figure 9 - ARNG Retention

Note:

1. Actual retention accomplishments are recorded no later than October 18, 2012.
2. Performance measure: the number of Soldiers reenlisted during a given fiscal year against published goals.

programs, to include the Recruit Sustainment Program, as well as local and national marketing, advertising and branding programs.

ARNG End Strength			
	FY10	FY11	FY12
Goal	358,200	358,200	358,200
Actual	362,015	361,561	358,078
% Delta	101.1%	100.9%	99.97%

Table 4 - ARNG End Strength

Advertising and Marketing

An integrated, national advertising and marketing campaign in FY12 was remarkably successful and positioned the ARNG for continued recruiting success in FY13. A few of the ARNG marketing highlights are described below.

- NASCAR is the ARNG's largest branding platform and continues to provide the most exposure for our branding. This year there were 2,155,940,000 impressions (a measure of the number of times an ad is displayed), at \$75.4M worth of media exposure. With a total expenditure of \$26.5M, ARNG received approximately \$3 in exposure for every \$1 in spending.
- The Indy Racing League Program is the ARNG's second largest branding platform. FY12 was a huge success, with 1,925,643,416 impressions and \$47.9M in media exposure. With a total expenditure of \$8.9M, ARNG received approximately \$5 in exposure for every \$1 spent.
- The Freedom Salute Campaign honors and recognizes all ARNG Soldiers (and their families) who mobilized directly or in support of OEF, Operation Noble Eagle, Operation Iraqi Freedom (OIF), Operation New Dawn (OND), Stabilization Force, and Kosovo Force (KFOR) since September 11, 2001. Special items have been designed and issued to commemorate their service.
- The National Football League High School Player Development Program continued to grow and had 40,000 contacts and 6,000 requests to meet with ARNG recruiters in FY12. The ARNG added a lineman competition, which is expected to increase contacts to 50,000 and requests to meet with ARNG recruiters to 7,000 in FY13. This program assists recruiters in reaching a diverse audience as well as in developing relationships with local high schools.

Bonuses and Incentives

Bonuses and incentives are used to recruit and retain prior service, non prior service and transitioning active duty enlisted and officer personnel. A variety of bonuses are offered to incentivize the right mix of skills and experience to maximize unit readiness. The ARNG tailors its bonus and incentive program to support a precision recruiting and retention strategy. We target low-density skill-level shortages, specific unit vacancies, and large cohort populations that are eligible for reenlistment. In FY12, \$297.3M was leveraged in the Selective Reserve Incentive Program to meet the accession and retention missions and maintain an authorized end strength of 358,200. Significant progress was made to enhance internal control and effectiveness of the bonus program through 100 percent certification of payments by the Incentive Support Team, as well as development of and training for the automated Guard Incentive Management System. Monetary incentives continue to be a critical tool in shaping the ARNG force and ensuring units are ready to respond to mission requirements globally and here at home.

Training the Force

Initial Entry Training

Initial entry training (IET) is the primary method of training Soldiers in individual combat skills and basic military operations prior to their assignment to an ARNG unit. This training consists of 10 weeks of basic combat training; enlisted Soldiers receive additional 6-to-52 week advanced individual training (AIT), while officers attend the 6-to-20 week Basic Officer Leader Course (BOLC). Pay and allowances, travel, clothing and retirement-pay accrual are funded by the IET program. The basic combat training installations are: Fort Jackson, South Carolina; Fort Benning, Georgia; Fort Leonard Wood, Missouri; Fort Sill, Oklahoma; and Fort Sam Houston, Texas. The AIT and BOLC installations are branch specific. In FY12, \$575.4M was spent to fill 22,304 basic combat training seats and 9,736 one station unit training seats, as well as sending 19,907 Soldiers to AIT and 1,659 officers to BOLC.

Inactive Duty Training

Inactive duty training (IDT) is the primary method of training ARNG units and enhancing unit readiness. Soldiers attend IDT, also known as weekend drill, where they train on full spectrum operations from individual basic skills to large-scale unit operations. IDT is based on multiple unit training assemblies (MUTAs) with the average training consisting of 4 MUTAs (2 full days) totaling 48 MUTAs in a training year. The IDT program also supports additional flight training, jump proficiency training, field artillery gunnery, civil disturbance response training and junior leader training. IDT is conducted nationwide at armories, state headquarters, and states training facilities. The IDT program executed \$1.5B in FY12 and conducted 11.3 million MUTAs.

Developing the Force

Federal Tuition Assistance

Federal tuition assistance (FTA) helps ARNG members achieve educational goals and to develop a more competent and professional force. FTA can pay for 100 percent of tuition costs (up to \$250 per semester hour and \$4,500 annually) to any accredited education institution. Throughout FY12, 35,000 Soldiers were enrolled in more than 160,000 courses in pursuit of higher education at a cost of \$94.0M. The GoArmyEd portal went online in FY12, significantly improving management of the tuition assistance program. Soldiers use a personal account to track enrollment, cost and grade performance. The enhanced functionality of GoArmyEd has recouped \$3.0M from students that failed to meet the standards and requirements for participating in the program. Supporting Soldiers in their educational achievements allows the ARNG to develop the quality and morale of its force.

GI Bill

The Servicemen's Readjustment Act of 1944 (P.L. 78-346), known informally as the GI Bill, is an education entitlement earned through active federal service or mobilizations. It is used to pursue bachelor and master degrees from accredited universities and is transferable to a dependent while the sponsoring Soldier is on active duty. The GI Bill is administered through the Department of Veterans Affairs (VA). In FY12, \$50.4M in GI Bill funding was used to support ARNG Soldiers'

educational endeavors. The GI Bill support team is available to Soldiers nationwide and year round to provide counseling on GI Bill benefits, eligibility, education plan development and degree completion. The GI Bill support team handled more than 100,000 Soldier requests for assistance at a cost of \$1.3M. The integration of ARNG financial support, VA administrative support and the GI Bill support team education counseling provides a comprehensive support network for Soldiers choosing to take advantage of their hard-earned education benefits.

General Education Development Plus

GED Plus gives Soldiers an opportunity to earn their GED at the PEC prior to shipping directly to basic combat training. Students receive three weeks of instruction in academics and basic Soldier skills as they earn their GED. Plus continues to be an important, low-cost tool to recruit and develop ARNG Soldiers, reopen their opportunity to earn a GED, and maintain ARNG end strength.

Employment Outreach

The ARNG employment outreach section oversees a number of programs and initiatives at the national level designed to address the unemployment needs of Soldiers and spouses. Employment outreach programs and initiatives connect ARNG Soldiers and their Families with resume development, job skills training, employer networks and apprenticeship job training opportunities by helping states to leverage and synchronize



SPC Patrick L. Noel, fires as his assistant gunner, SPC Philip J. Gavin, feeds ammunition into their MK19 grenade launcher during qualification at Camp Shelby Joint Forces Training Center, MS. Both are personal security detail Soldiers assigned to Headquarters, 37th Infantry Brigade Combat Team, Ohio Army National Guard, which deployed to Afghanistan in support of Operation Enduring Freedom.

Photo by SGT Kimberly Lamb

pre-existing federal, state and local employment programs and partnerships. The centerpiece of employment outreach efforts is the Employment Network, which provides employment assistance to Soldiers and their Families by collaborating, partnering and utilizing assets from nonprofit organizations. Through the Employment Network portal, Service and Family members are provided virtual and live career counseling, case management, access to customized state websites and job boards, corporate job postings and talent matching. In FY12, employment outreach services connected more than 1,100 ARNG Soldiers with full-time employment, significantly reducing the ARNG's liability for unemployment benefits. Three unique program options are available to meet Soldiers' employment and career planning needs:

- The Guard Apprenticeship Program Initiative partners with the Department of Labor's Office of Apprenticeship to facilitate job skill training opportunities for Soldiers, enabling them to earn national certification in chosen occupations.
- The Job Connection Education Program improves Soldiers' and spouses' ability to research, obtain and retain civilian employment through one-on-one career counseling, job skill searching, job fairs and local employer partnerships.
- The Employer Partnership of the Armed Forces program links Soldiers and employers to mutually beneficial employment resources and career employment opportunities.

Supporting the Force

Full-Time Support

Full-Time support (FTS) consists of Active Guard Reserve (AGR) Soldiers and military technicians (MILTECHs). FTS personnel are critical for sustaining the daily operations of the entire ARNG by organizing, administrating, recruiting, instructing, training and maintaining ARNG Soldiers, units and equipment. The FTS program executed \$3.3B for 32,060 AGR authorizations and \$2.1B for 28,810 MILTECH authorizations. FTS authorizations are distributed to each state and territory based on authorized force structure. More than 2,200 FTS personnel support the Title 10 federal mission at the NGB in Arlington, Virginia.

Personnel Systems

Standard Installation/Division Personnel System (SIDPERS) is the ARNG's state-based personnel record maintenance system. SIDPERS is the authoritative data source used to update other Army personnel accountability systems. The Total Army Personnel Database—Guard (TAPDB-G) is a system that reports SIDPERS data to 14 other systems within the Army, the ARNG and other agencies. SIDPERS

and TAPDB-G systems are updated continuously to ensure they remain compliant with federal policy and regulation changes.

The Integrated Personnel and Pay System—Army (IPPS-A) is an Army program designed to replace legacy systems in the Army, ARNG and USAR. IPPS-A should subsume SIDPERS in FY15 and TAPDB-G in FY16. Personnel readiness is enhanced by making it possible to update personnel and pay information for all 358,200 ARNG Soldiers across integrated systems. Accurate information is shared with other systems to support personnel and pay actions, maintain accountability and make informed decisions to support state and federal missions. In FY12, personnel systems executed \$1.2M for the operations and maintenance of SIDPERS and TAPDB-G. The IPPS-A program provided \$3.5M and the ARNG provided \$1.0M to document program requirements, interfaces, map data and to prepare training and testing plans to ensure the needs of the ARNG are incorporated. Moving to IPPS-A will allow all Army components to use a single system (regardless of status or location), thereby significantly improving the ability to mobilize Soldiers and provide real-time reporting.

Line of Duty and Incapacitation Pay

Line of Duty (LOD) investigations determine whether ARNG Soldiers are entitled to follow-up medical care, pay and allowances and, if eligible, placement on active duty Medical Extension or Medical Retention Processing when they become ill or injured while in an authorized duty status. Facts gathered during an LOD investigation may assist other government agencies, such as the VA, in determining the entitlement to other benefits for Soldiers and their Families.

Incapacitation (INCAP) pay provides pay and allowances to Soldiers who are injured in the LOD during active duty training or while serving in an active duty status and who, as a result of those injuries, are unable to perform their military duty or civilian occupation.

Soldiers who are wounded, injured or become ill in the LOD must be given every opportunity to return to full duty. In FY12, the INCAP pay program adjudicated and processed more than 29,879 cases for wounded, ill or injured ARNG Soldiers. A total of \$21.7M was executed to settle more than 1,288 claims. In answer to the long-term medical care needs of Soldiers who do not qualify for return to active duty, the ARNG launched a pilot program in 14 states known as Reserve Component Managed Care. The program offers a means to return injured Soldiers to active duty for up to 179 days where the Soldiers receive enhanced management of care and rehabilitative treatment. ARNG has proven it can return Soldiers more rapidly to full duty, from over a year from injury to return to less than 179 days for a cost savings of \$2.0M.

Medical Readiness

To support the strategic imperative to “generate ready units and Soldiers,” the ARNG Office of the Chief Surgeon targeted medical readiness as the way to generate a fit and operational force. In order to support this undertaking, that office set three primary goals: (1) support deployment of a healthy force, (2) support deployment of the medical force units, and (3) assist Soldiers and Families in transition to civilian life.

Medical and Dental Readiness

The ARNG medical and dental readiness programs focus on increasing ARNG Soldiers’ medical and dental health. Medical readiness is measured against a variety of individual medical readiness (IMR) metrics established by HQDA. Sustaining medical readiness funding for Soldier annual IMR requirements remains a critical element to achieving and maintaining high medical readiness. Program funds are used to cover annual periodic health assessments, dental exams and immunizations. States will have the option of participating in the centrally

Office of the Chief Surgeon targeted ARNG medical readiness as the solution in generating a fit and operational force.

funded Reserve Health Readiness Program (RHRP), utilizing Army Medical Department personnel as well as utilizing local providers for healthcare services. The ARNG executed approximately \$75.0M under the RHRP and an additional \$60.0M on local contracts executed at the state level. As an outcome, the percentage of ARNG Soldiers categorized as medically ready increased from 70 percent in October 2011 to 77 percent in September 2012—the highest medical readiness level ever attained.

A contributing factor to the increase of medical readiness has been the ARNG’s command leadership emphasis, which has been facilitated by the development of medical readiness information systems. These systems give ARNG commanders greater visibility of Soldiers who are awaiting or have overdue IMR requirements. As an outcome, the ARNG reduced the number of Soldiers who were overdue for annual dental exams and personal health assessments by an additional 2 percent over the 9 percent reduction in FY10. The percentage of Soldiers requiring dental treatment has decreased by over 4 percent, and



SPC Jeffrey Diemert (far left) and SPC Levi Bischof (left), of the 817th Sapper Company, examine the wounds of a casualty found at the medical station of the competition while SSG David Rohrich (right) calls in a nine line MEDEVAC at Pipestem Lake, outside of Jamestown, ND. This was part of the unit’s first Sapper Stakes Competition.

Photo by SGT Brett Miller

the percentage of medically nondeployable Soldiers has decreased by more than two percent. The ARNG continues to ensure a medically ready force is available when the nation calls.

Case Management

The ARNG increased the number of case management personnel by 146 to its current level of 575 at an annual cost of \$34.8M. This increase better provided individual case management to Soldiers with medical conditions to ensure the most expedient return to health and fitness for duty or entry into the disability evaluation system. Over the past 12 months, case managers closed more than 69,000 medical cases. With the increase in case management personnel, the ARNG improved medical readiness by 8 percent from the previous year and will continue to maintain a fit and ready force.

Behavioral Health Program



Photo by Jim Greenhill

Wounded Warriors prepare for the Army Ten-Miler.

The mission of the ARNG Behavioral Health Program is to support psychological fitness of ARNG Soldiers and their operational readiness. Soldiers receive advocacy, health promotion and guidance services through licensed behavioral health counselors in all 54 states, territories and the District of Columbia. The program provides three categories of service: assessment and referral, consultation, and professional education and training. ARNG clinicians have screened more than 8,000 Soldiers. Of those Soldiers, 2,000 have been given referrals for ongoing care. ARNG behavioral health counselors provided informal behavioral health consultations to 30,000 Soldiers and Family members; 1,400 of these consultations identified emergent situations leading to further psychological care.

In addition, counselors conducted more than 2,000 briefings and training sessions on behavioral health topics to Soldiers and their Families. Feedback indicates that this training had a positive impact on Soldiers' lives. In FY12, Congress and the

Office of the Assistant Secretary of Defense (Health Affairs) provided \$4.0M for the Behavioral Health Program, which was augmented with ARNG funding of \$5.4M, ensuring the success of the program.

Medical Electronic Data Care History and Readiness Tracking

Medical Electronic Data Care History and Readiness Tracking (MEDCHART) is a suite of applications that facilitates documentation, reporting and tracking of Soldier medical information throughout a Soldier's career. Applications include: accession waivers Medical Applications Tracking System; medical records Health Readiness Record; dental exams; occupational health exams; LOD determinations; case management; and the Medical Readiness Reporting module. MEDCHART allows a single sign-on for all modules. It also provides live medical data reporting for every Guard Soldier. This improved automation has allowed for the elimination of paper medical records and redundancies and cost forecasting and information transfer capabilities have produced efficiencies among organizations and agencies needing the information. These efficiencies save cost and time, and they allow seamless integration management of Soldiers simultaneously through multiple agencies and other organizations.

The ARNG executed over \$13.0M for the MEDCHART program, improving the ARNG's overall medical readiness, from below 60 percent in FY10 to its current level of 77 percent.

Preventive Medicine

The Preventive Medicine Branch is responsible for guiding prevention of disease, illness and injury and for promoting health across the ARNG through policy, oversight, resourcing and consultation. This branch provides professional advice to ARNG leadership in all areas of public health and preventive medicine, including seasonal and pandemic influenza and exposures to workplace, environmental or deployment-related health hazards. Recent examples include Rabies Response Task Force, pandemic influenza, heavy metal abatement at former indoor firing ranges and potential workplace hazards. The Preventive Medicine Branch also oversees the ARNG Occupational Health Program, the Industrial Hygiene Program and the Health Promotion Programs.

Influenza Vaccine Immunization Program

Influenza is a contagious respiratory illness that can be debilitating or cause death in any age group. Influenza seasons are unpredictable and can affect military force readiness and mission. In the United States, there are more than 25 million reported cases of influenza, more than 150,000 hospitalizations due to serious complications and more than 35,000 deaths annually. Vaccination is the primary method for preventing influenza and its complications. For the 2011 to 2012 influenza season, the Office of the Chief Surgeon



Photo SGT Daniel Schroeder

A UH-60 Black Hawk medevac helicopter performs a dust landing near Camp Dwyer, Afghanistan.

executed \$2.5M to provide more than 350,000 doses of influenza vaccine to the states, territories and the District of Columbia. The ARNG vaccinated 90 percent of its Soldiers prior to start of the influenza peak season.

Occupational Health Programs

More than 13,000 MILTECHs perform hazardous tasks while maintaining the ground and air equipment utilized by the ARNG, such as performing heavy lifting, handling hazardous materials and working in dangerous environments. The Occupational Health Program, utilizing Occupational Safety and Health Administration regulations, ensures Title 32 (i.e., state duty) MILTECHs are protected from hazardous working conditions. The ARNG provided over \$5.0M to fund both medical surveillance services and occupational health training programs, thereby ensuring the health and safety of the ARNG full-time workforce. These programs include: respiratory protection, hearing and vision conservation, radiation exposure monitoring, hazard communication, injury and illness case management, return to work initiatives, epidemiology and health promotion (to include automated external defibrillator maintenance). These programs contributed to a 32-percent decrease in lost time cases and a 22-percent decrease in lost production days.

The Industrial Hygiene

The Industrial Hygiene Program executed \$4.9M to field more than 700 major industrial hygiene workplace sur-

veys throughout the 54 states, territories and the District of Columbia. This funding facilitated extensive on-the-job training for 38 ARNG industrial hygiene and occupational health technicians, giving them the skills to conduct routine, follow-up and local surveys. The purpose of the annual industrial hygiene survey is to anticipate, recognize, evaluate, prevent and control environmental factors or stresses arising in or from the workplace which may cause sickness, impaired health and well-being or significant discomfort among workers or among citizens of the community (e.g., spouses, children, general public attending community affairs at armories). Additionally, the industrial hygiene surveys fulfill statutory requirements that ensure that a safe and healthy workplace is provided to the ARNG technicians as mandated per Occupational Safety and Health Act.

Health Promotion

The ARNG medical readiness and healthy lifestyle web platform, HOOAH4Health, celebrated its 12th anniversary in FY12 with a design makeover. The ARNG developed this web-based platform in response to the unique needs of ARNG Soldiers and their Families, averaging more than one million hits per month. The \$200,000 budget included expanding the scope of the website including: the Hooah-Homefront module that provides information pertaining to smoking cessation, hypertension management and obesity with other tools related to supporting homeland defense, such as responding to CBRNE threats and family emergency preparedness.

Family Readiness

The ARNG enthusiastically supports the Secretary of the Army's priority to champion Soldiers, civilians and Families. In FY12, the ARNG's Soldier and Family Support Division provided services within family programs, deployment cycle support, survivor services and resiliency programs. The division obligated over \$289.0M to sustain essential programs beneficial to Soldiers and their Families. The efficient use of these funds strengthened the bond of trust between the ARNG and every Soldier, civilian and Family member.

Family Programs

The ARNG offers a number of programs designed to improve and sustain family readiness through family, child and youth support for Soldiers and their Families nationwide. In FY12, family programs obligated \$106.0M. Family assistance centers (FACs) serve the needs of geographically dispersed Soldiers and their Families by offering referral and outreach services. Services include, but are not limited to: Defense Enrollment Eligibility Reporting System enrollment and issuance of DoD identification cards, TRICARE and military medical benefits education, emergency financial services, legal information and referral, crisis intervention and referral, and community information and referral.

In FY12, the FACs managed more than 37,500 cases and more than 2 million queries, addressing a wide variety of issues from geographically dispersed members of all Military Services. The ARNG fielded 311 family readiness sup-

port assistants at unit level who assisted more than 430,000 Family members within the ARNG. During FY12, the ARNG also provided more than 2,600 community-based childcare spaces, as well as some 11,000 youth events for more than 45,000 youth participants.

Deployment Cycle Support

Deployments and mobilizations have put an additional strain on ARNG Soldiers and their Families. The ARNG employs the Yellow Ribbon Reintegration Program (YRRP), a congressionally-mandated program designed to provide information, services, referrals and proactive outreach programs to Soldiers and Families. The YRRP provides Soldiers and their Families with care and services with specific emphasis on: TRICARE medical and dental benefits; referrals to financial, child and youth counseling; VA benefits and enrollment; substance abuse awareness and counterdrug programs; safety awareness; domestic violence and sexual assault awareness; behavioral health services; and marriage and singles enrichment. In FY12 more than 1,200 events have been completed, with more than 147,800 individuals assisted. The YRRP is OCO-funded at \$88.0M.

Survivor Services

The ARNG offers military funeral honors and casualty operations to help arrange the funerals as well as to assist Servicemembers' surviving Family members. Military burial



Photo by Steve Toth

SSG Matthew Heinz, a member of the 290th Engineer Detachment, reunites with his 4-year-old daughter, Olivia, before the unit's welcome home ceremony in Newton Falls, OH. The unit returned from a deployment to Afghanistan in support of Operation Enduring Freedom, where Soldiers conducted survey and design projects including a bridge, water crossing sites, ammunition supply points and helicopter landing zones.

honors obligated \$68.0M in FY12. This amount provided pay and allowance along with operational funds, supporting more than 139,000 burial honors. There are 62 contracted personnel who perform the training, administrative and logistical functions necessary to perform burial honors.

Survivor outreach services obligated over \$9.0M dollars. This funds 100 contracted counselors who supported more than 600 casualty missions and assisted more than 10,000 Servicemembers' surviving Family members.

Resiliency Programs

ARNG resiliency programs consist of Guard Resilience Training, Suicide Prevention, Vets4Warriors, Substance Abuse Program, and Sexual Harassment Assault Response and Prevention (SHARP).

Guard Resilience Training

Resilience training teaches specific self-development techniques designed to increase physical, emotional, social, spiritual and Family strengths. Master resilience trainers (MRTs) serve as the commander's principle advisor on resilience matters, train units, Soldiers and Families, and are a key component of the comprehensive strategy to increase and enhance Soldier performance. In FY12, ARNG trained 1,500 MRTs and more than 4,400 resilience trainer assistants. A total of \$9.5M was obligated for Guard resilience training in FY12.

Suicide Prevention

The ARNG trained 144 trainers in the Applied Suicide Intervention Skills Training (ASIST) program in FY12, bringing the total to 423. The goal in FY13 is to add 150 trainers. These trainers will, in turn, train approximately 35,000 gatekeepers in advanced suicide intervention skills. In FY12, ARNG

trained 4,481 gatekeepers. A gatekeeper is a Soldier who, by virtue of his or her position, must be able to recognize people in crisis, intervene to keep them safe, and refer them to help. In FY12, ARNG obligated \$2.0M in ASIST and gatekeeper training.

Vets4Warriors

The Vets4Warriors peer support hotline provides all RC Servicemembers direct access to supportive, nonattribution conversations with well-trained veteran peers who have shared similar experiences. Representing all branches of the military, this team of veteran peers has immediate access to behavioral health clinicians to respond to emergent issues and can refer Soldiers to local community services, military veteran centers and military healthcare providers based upon the Soldier's needs. The program is designed to achieve and maintain Soldier readiness through timely outreach, peer support and referral to service providers or applicable agencies. The Vets4Warriors Program executes \$5.5M annually.

Sexual Harassment Assault Response and Protection

The SHARP program reinforces the Army's commitment to eliminate incidents of sexual assault through a comprehensive program that centers on awareness and prevention, training and education, victim advocacy, response, reporting and accountability. In FY12, ARNG initiated the SHARP program and assigned a full-time program manager within each state, territory and the District of Columbia. These personnel were funded from the MILTECH Program. During FY13, ARNG will also assign 63 unit victim advocacy representatives. The goal in FY13 is to meet the 80-hour, Department of the Army-certified SHARP training requirement for more than 1,500 Soldiers.



Photo by SFC Kendall James

Members of the Oklahoma Army National Guard Funeral Honors Team escort a fallen Soldier from the 45th Infantry Brigade Combat Team.

Logistics Readiness

Ground Operating Tempo

The Ground OPTEMPO program is the primary resource supporting unit day-to-day operations, funding collective unit training and ensuring near-term operational readiness. It includes requirements critical to the ARFORGEN model, the Army training strategy and all ARNG training. These requirements cover not only fuel, food, repair parts and contract logistic support but also the necessary supplies and secondary items for Soldier and unit training.

Ground OPTEMPO funding totaled \$726.5M. Due to the program, the ARNG has received new, modern equipment as evidenced by the current equipment on hand (EOH) percentages. It, therefore, is essential that sufficient Ground OPTEMPO funding is provided to protect this investment with maintenance and repair resources.

Ground OPTEMPO is provided to protect this investment with maintenance and repair resources.

Depot Maintenance

The ARNG depot maintenance program remained integral to ARNG equipment sustainment during FY12. This program is based on a “repair and return to user” premise, as opposed to the equipment maintenance loaner system used by the AC Army. The ARNG does not have a quantity of equipment authorized for use by units as immediate

replacements when critical equipment is sent to the depot for repair. In addition, the depot maintenance program fully funds ARNG test, measurement and diagnostic equipment calibration.

Funding for the ARNG’s Surface Depot Maintenance requirement increased by 52 percent in FY12. The program received \$424.0M of its total requirement, \$517.0M. The higher requirement is due primarily to the increased number of overhauls of aged our tactical wheeled vehicle fleet. The depot maintenance program overhauled 623 tactical vehicles, 244 pieces of engineer equipment, 307 M870 series trailers, 1,731 night vision goggles, and 640 radios. In addition, the program continued to address near-term equipment readiness issues with M113 family of vehicles, M109A6 self-propelled howitzers and M60 armored vehicle landing bridges. Out-year funding requirements will decline based on anticipated adjustments in the fielding plan of new equipment.

Reset

The Army continued to work with ARNG leaders to refine requirements for critical dual-use (CDU) equipment (equipment usable both in wartime and for missions in the homeland) and to ensure that the states, territories and



Photo by SGT Mikko Booth

Soldiers from the 1452 Transportation Company prepare for their final convoy.

the District of Columbia had adequate capabilities to protect the lives and property of American citizens during a catastrophe. The ARFORGEN initiative utilizes a three-stage cycle (Reset, Train/Ready and Available) when categorizing unit readiness. Units and their equipment must pass through the Reset stage in order to be ready for training and ultimately available for mobilization.

The ARNG received \$96.4M in Operation and Maintenance, Army (OMA) funds for the Home Station Field Reset Program. The program reset more than 286,000 pieces of equipment from major units, including: two complete BCTs (currently in Reset), two division headquarters, two CABs, two BCT headquarters, one Maneuver Enhancement Brigade (MEB), one Fires Brigade and one TAB. A total of 164 separate reporting units (SRUs) completed Reset and 308 SRUs are in the Reset program with more than 34,000 pieces of left behind equipment completing Reset.

Equipment On-hand and Equipment Availability

Beginning in FY06, the Army significantly increased its investment for new procurement and recapitalization. As a result, EOH percentages for the ARNG increased from 69 percent of requirements to 89 percent in FY12. Currently, 81 percent of EOH is in nonmobilized units and available for domestic response missions. ARNG CDU, the subset of equipment most important to domestic response, in-

creased from 65 percent to 89 percent during this same period. Changes in modernization requirements will affect ARNG EOH percentages; however, the net result will be a more ready and modern force, continuously prepared for utilization as an operational force.

Organizational Clothing and Individual Equipment

For the second year in a row, the ARNG received funding for Organization Clothing and Individual Equipment (OCIE) separate from the Ground OPTEMPO account for the replacement and maintenance of OCIE. The program received \$104.0M in FY12. Items such as the universal camouflage pattern molle rifleman set, ruck sacks, parkas and advanced combat helmets are included. Funding is used for repair or replacement of items lost or damaged, and it does not include individual clothing.

Beginning in FY12, all ARNG units began receiving Rapid Fielding Initiative (RFI) equipment at their home station. This was an expansion of the highly acclaimed brigade-sized home station unit fieldings that began in the prior year. The RFI provides state-of-the-art modernization items to deploying forces that enhance individual and small unit mobility, lethality, survivability and the ability to operate in any environment. Units receive RFI six months prior to their mobilization in order to complete training certification and minimize mobilization station time.



A Soldier from the 815th Engineer Company (Horizontal) uses a Caterpillar D7 dozer to push a Caterpillar 621B scraper to load with fill dirt at the contemporary operations location (COL). The COL is at Camp Gilbert C. Grafton, ND. The 81th from Edgeley, Wishek and Lisbon is at annual training constructing the site.

Photo by SGT Brett Miller

Facility Readiness

ARNG facilities are crucial to readiness, homeland defense and emergency response. Providing superior facilities for our modern-day force is key for preserving the operational ARNG that must, “provide the level of military construction critical to maintaining the baseline levels of readiness.”

The ARNG facility inventory is in critical need of recapitalization and, in numerous instances, consolidation and relocation. Several decades of underfunding ARNG infrastructure requirements have resulted in aging and inadequate facilities. The ARNG is in a fundamentally different position than the AC; restoration and modernization renovation will not address critical facility deficits. Nearly half the ARNG readiness centers are over 50 years old, can no longer accommodate troops or equipment and are expensive to maintain because they are energy inefficient. The ARNG’s military construction strategy relies upon investing in the most critical infrastructure where there is no other alternative but to construct. Our investment strategy focuses on the most critical infrastructure, as well as disposing and divesting of antiquated facilities.

The ARNG must invest in its installations and improve efficiencies in energy, water, and waste for the benefit of our current and future missions.

Bringing the ARNG facility inventory to a satisfactory level requires a significant and sustained annual investment. To ensure that the ARNG remains the nation’s force of choice for domestic operations, we must build adequate facilities in optimal locations, at the same time consolidating our footprint and divesting obsolete, temporary or leased facilities. Lack of sufficient military construction funding exacerbates sustainment, restoration, and modernization (SRM) issues, prolongs mission functionality shortfalls, impacts the ability to secure state matching funds, and delays or defers projects from the program. In many instances, deferring military construction funding impacts the sole project in a state, and, as these facilities are not on a large installation, there is no mitigation available by utilizing or sharing other facilities or services.

As a landholder in every state, the ARNG must balance its installation footprint with being a good neighbor and responsible steward of the environment. The rapid and continuous rate of change in the current operating and natural environment requires installations to be resilient and agile. The



Figure 10 - FY12 Footprint of the Army National Guard

ARNG will continue to support the dual-mission within the limits of its resources and with sustainability and energy efficiency as a major facet of installation readiness.

Military Construction, Army National Guard

ARNG facilities are community-based platforms of readiness and bastions of support for their personnel. Unit and Soldier readiness is enhanced through regular modernization and new construction of facilities to maintain efficient, sustainable operations and enable provision of effective services to Soldiers, Families, civilians and employers. The ARNG FY12 MCNG funding of \$773.6M across 48 projects in 28 states, one territory and the District of Columbia. This funding included \$11.7M for unspecified minor construction and \$20.7M for planning and design.

The ARNG awarded contracts for 47 of the 48 appropriated projects in FY12 spread across 27 states, one territory and the District of Columbia totaling \$730.0M. This equates to an execution rate of 98 percent for FY12. This was the fifth year in a row that the ARNG exceeded HQDA's execution goal of 90 percent. The one project not awarded in FY12 is on track to be awarded in the first half of FY13.

Using military construction funds, the ARNG will replace or modernize 21 readiness centers (including 11 under the Grow the Army Initiative) at a cost of \$303.2M. Two other joint RC facilities will be replaced or modernized at a cost of \$48.7M. The ARNG will also construct eight training ranges to support ARFORGEN and unit readiness at a cost of \$48.3M. Four logistics facilities will be replaced or modernized at a cost of \$53.8M. Four aviation facilities (including three to support TUAS) will be constructed at a cost of \$65.8M. Five operational readiness training complex projects to support battalion-level training will be constructed at a cost of \$147.0M. Three mobilization force generation installation projects to provide mobiliza-

tion support will be constructed at a cost of \$42.5M. Finally, one \$32.0M utility replacement project will be executed to replace aging infrastructure.

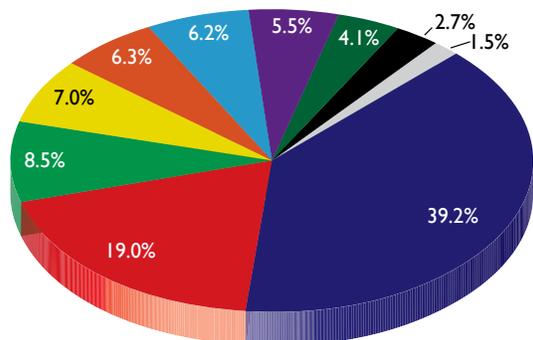
Facilities Army National Guard Operations and Maintenance

The Facilities Operations and Maintenance Program provided installation support functions (Base Operations Support [BOS]) and SRM to support the federal-state mission and to provide an adequate quality of life for our Soldiers commensurate with their service. The ARNG executed approximately \$612.0M for SRM projects in FY12. An additional \$347.0M was executed in BOS (e.g., public works and municipal activities) to keep our 26,132 buildings at more than 2,800 locations functioning.

The average age of facilities is 40.5 years, and over 40 percent of the ARNG's facilities are over 50 years old. These aging facilities have inefficiencies throughout that must be dealt with through sufficient SRM funding, especially in an era of declining MCNG. When MCNG funding has not been available, the ARNG has astutely and strategically targeted investment of SRM dollars. SRM funds are used to make a facility more functional, energy efficient and sustainable until there is an MCNG solution. Funding 80 percent of the critical requirement for sustainment is somewhat mitigated by the increase in funding of the restoration and modernization (R&M) program through the out years. However, this level of sustainment funding will limit the ARNG's ability to perform some of the largest life cycle replacement and infrastructure projects, resulting in increased maintenance backlog and accelerated facility deterioration.

Reductions in MCNG funding are placing an increased reliance on the R&M program. Any reductions to the current R&M funding line in combination with 80 percent funding of the critical requirement in sustainment will significantly impact the entire SRM program. Reductions in MCNG funding

Military Construction, ARNG



Program	Total (\$M)	Percent
Readiness Centers	\$ 303,200	39.2%
Operational Readiness Training Complex	\$ 147,000	19.0%
Aviation	\$ 65,760	8.5%
Logistics	\$ 53,800	7.0%
Joint Reserve Center	\$ 48,700	6.3%
Training Ranges	\$ 48,261	6.2%
Mobilization Force Generation Installation	\$ 42,500	5.5%
Utilities Replacement	\$ 32,000	4.1%
Planning and Design	\$ 20,671	2.7%
Unspecified Minor Military Construction	\$ 11,700	1.5%
Total	\$ 773,592	100%

*MCNG is a five year appropriation; this includes new construction as well as revitalization and recapitalization construction.

Figure 11 - Military Construction, ARNG



Photo by OKARNG Public Affairs

An M-60 tank outside the Broken Arrow Armed Forces Reserve Center, OK, ties the past to the present. Constructed by the Oklahoma Army National Guard which was fully occupied by units from four reserve components during FY12.

will require the ARNG to sustain facilities past their useful life, substantially impacting the ARNG's ability to remain an operational force.

ARNG Energy Program

The ARNG energy program promotes good stewardship of energy and other resources while not impairing the basic mission objectives or soldier safety. The ARNG must invest in its installations and improve efficiencies in energy, water and waste management for the benefit of our current and future missions. Addressing energy security and sustainability is operationally necessary, financially prudent and essential to mission accomplishment. The ARNG program was funded at \$6.3M for FY12. This funded 30 energy and water projects: 9 renewable energy, 20 energy efficiency and 1 water efficiency. The actual rate of inflation for energy commodities has outpaced the Office of Management and Budget's (OMB's)

rate of inflation used in program modeling. This created annual unfunded requirements in utility programs. A carry-over initiative from FY11, the ARNG is working with Army Corps of Engineers to install 1,099 advanced meters in 876 facilities as well as integrate 914 installed advanced meters into a central meter data management system in order to monitor real-time energy and water consumption.

The advanced meters are being installed in the most energy and water intense ARNG facilities across the nation. By capturing real-time data, leaders and Soldiers take note of their daily habits and how they affect energy and water consumption. By changing usage habits, ARNG can proactively reduce costs while saving resources. Only 15 states received funds for efficiency projects; more states are projected receive funding for facility efficiency projects in FY13.

Real Property Accountability and Master Planning

Real property accountability identifies and accounts for both DoD-owned and state-owned structures, infrastructure, land and real property assets. Facilities include readiness centers (armories), vehicle maintenance buildings, aviation support complexes, barracks, training complexes and ranges. ARNG has identified and classified more than 100,000 facilities at more than 2,800 ARNG locations, accounting for over 167 million square feet of facilities, 110 individual training centers, and 2 million acres of land. Real property accountability also captures the condition and age of facilities and infrastructure and helps shape decisions for property acquisitions and disposals. During FY12, real property accountability supported a programming requirement over \$600.0M in SRM and \$347.0M in BOS.

The Master Planning Program provides a yearly updated real property development plan and is a Planning, Programming and Budgeting Execution System requirement. Funding for this program provides for real property inventory and accounting, master planning, property acquisition (including leases) and geographic information services.



Photo by 2LT Skye A. Robinson

The Windsor Readiness Center is the newest of the Colorado National Guard's (CONG's) facilities located in strategic locations. These facilities are the home to both part-time and full-time Soldiers. The CONG takes pride in the facilities blending into the communities in which they are based. These facilities have the potential to enhance CONG and community partnerships. They also serve as the base of operations for military and civilian agencies during emergencies.

Environmental Readiness

The ARNG environmental program maximized effectiveness and efficiency to ensure that the ARNG's environmental stewardship efforts were successful in FY12. In support of ARNG efforts to maintain mission capability and environmental stewardship, the ARNG environmental program expended \$87.0M in environmental compliance and \$27.0M in environmental cleanup funds in FY12. Increased operational mission requirements for the ARNG, a stringent environmental regulatory climate, and challenging fiscal constraints made 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.

The environmental program completed 41 environmental assessments to support over \$741.0M of MCNG, ARNG execution. The environmental program's use of a robust environmental performance assessment system, consisting of internal and external evaluations, internal assessor training and the most advanced assessment software in DoD. These assessments ensured appropriate environmental stewardship both before and during military construction projects. ARNG environmental assessment software is the best in its class and has been adopted by the USAR, Marine Corps and Marine Corps Reserve, and it also is being considered for implementation by active Army installations and the Coast Guard.

The ARNG is successful as a result of assessor competence and a thorough understanding of regulatory requirements.

Quantitative data currently is being collected to determine whether a munitions contaminant release from an operational range to an off-range area creates an unacceptable risk to human health or the environment. The goal is to ensure the long-term viability of operational ranges in support of military mission and readiness while protecting human health and the environment. Five-year periodic reviews are required at 256 ARNG range complexes, where qualitative data indicates that it is unlikely that a release to the environment has occurred. The periodic reviews document changes to range or munitions uses that have the potential to cause impacts to human health or the environment. Periodic reviews will be a recurring requirement.

The ARNG managed the execution of the ARNG munitions response site inspections at 540 locations identified by the Non-DoD, Non-Operational Defense Sites Inventory—sites used historically by the ARNG for training but never leased by the DoD. The site inspection phase efforts were completed in FY12.

The environmental program also protected more than 5,000 acres of land adjacent to critical ARNG training installations as a part of the Army Compatible Use Buffer program. The program ensures land used for training activities is protected from use limitations imposed by external encroachments, such as increased civilian development.



SGT Joseph Mattingly of Charlie Company, 1st Battalion, 376th Aviation, walks between barrack buildings at the Harold L. Disney Training Center in Artemus, KY. Solar panels installed on the buildings at the center are responsible for producing all the energy needed to power the buildings for use by units training at the site.

Photo by SGT Scott Raymond

Technological Readiness

The ARNG's office of the Chief Information Officer (CIO) was resourced at \$285.0M. These resources supported the execution of enterprise initiatives designed to optimize security, reduce resource requirements and eliminate redundancy and waste while strengthening information technology (IT) governance within the ARNG.

The IT infrastructure of the ARNG (known as GuardNet XXI) serves every armory, Joint Force Headquarters, (JFHQ) and ARNG organization in every state, territory and the District of Columbia. Increased focus on the role of the ARNG in cyber security, homeland defense and HRFs—among others—has served to raise the level of awareness across DoD and HQDA regarding the increasing value of the agile and operational ARNG. Civilian communities, state governments and first responders are directly impacted by the ability of the ARNG to deliver immediate, ready and relevant support to the nation, all of which are enabled by the IT infrastructure of the ARNG. This capability is provided utilizing 15 percent of the total Army IT budget.

Information Management Governance

The ARNG continues to seek efficiencies to maximize taxpayer investments by emphasizing improvement of its overall IT investment management and governance processes. Through leveraging industry's best business practices and the ARNG's IT Requirements Control Board (ITRCB), the ARNG CIO focused on transparency and gained visibility of more than 30 business systems employing a variety of applications. Additionally, the ARNG refined its IT portfolio management process, which provides for an in-depth review of all IT capabilities in the business and the enterprise information environment mission areas. These efforts provide the baseline for the eventual elimination or migration of redundant IT capabilities beginning in FY13.

Extending Enterprise Services by Way of Guardnet XXI

During FY12, the GuardNet XXI infrastructure was managed as an enterprise and improved by implementing additional efficiencies and capabilities. The ARNG continued to extend enterprise services across the states, territories and the District of Columbia with the upgrade of the ARNG

helpdesk ticketing system and standardization of helpdesk processes, migration of the ARNG e-mail system to DoD Enterprise e-mail and expansion of system management, security and operations capabilities. In addition, the DoD Visitor program was implemented across the network, allowing DoD personnel without a domain account to have Internet access from a secure environment.

The ARNG expanded its bandwidth capabilities across the enterprise and migrated from the Sprint FTS2000 contract to the Verizon Network contract, thereby reducing the overall cost for long-haul communications circuits. It expanded the circuit capacities of the four regional gateways to the Defense Information

Systems Agency network, as well as the circuit capacities for the primary and alternate circuits to the states, territories and the District of Columbia.

The ARNG improved its cyber defense with the upgrade of all ARNG Distance Learning Program, the Tandberg coder-decoder and the refresh of the ARNG Distance Learning Program network infrastructure.

Operationalizing Guardnet XXI

GuardNet XXI will enable ARNG leadership to more easily produce ready units and Soldiers as the network matures. In FY12, GuardNet XXI continued to increase capabilities as more states participated in working groups for this project. Over FY13, GuardNet XXI will become more robust as new policies and technologies are implemented.

GuardNet XXI will continue to be a force multiplier as it becomes the primary network for full spectrum operations, command and control, and situational awareness for the ARNG, enabling:

- Support of IT maintenance and updates for tactical communications equipment
- Increased security and interoperability for ARNG networks
- Network access for all ARNG Soldiers.

Operationalizing GuardNet XXI will increase the capability that supports our HD/DSCA, CBRNE, Civil Support Teams (CSTs) and HRF partners and other first responders in defense of our nation.

Operationalizing GuardNet XXI will increase the capability that supports our Homeland Defense.

Army Data Center Consolidation Plan

The ARNG is an active participant in the Army's response to the OMB's data center (DC) consolidation initiative. The Army expects an overall reduction of 75 percent of its DCs and a decrease in Army applications by 50 percent during the next five years.

The ARNG has aggressively pursued Army Data Center Consolidation Plan (ADCCP) goals (to reduce physical space and power) by closing three network computing centers (NCCs), reducing the DC server footprint through virtualization, launching the ITRCB (preventing redundant applications), participating in data discovery initiatives for further application consolidation, and developing a comprehensive automated configuration management process.

In response to ADCCP goals, the ARNG initiated and completed a formal agencywide request for information to accomplish the DC and application discovery requirements of the ADCCP. Managers of DCs, servers and applications, as well as system administrators and subject matter experts, engaged in the information discovery activities mandated by the ADCCP. The discovery activities were followed by one-on-one meetings with each directorate, improving the overall quality of DC and application information and provided a clear understanding of the existing IT infrastructure.

Data Center Consolidation

DC consolidation activities identified locations that host ARNG applications, as well as NCCs, and provide communications capabilities between the state and global information grid. From the consolidation activities, 10 DCs were identified, 7 of which were categorized as NCCs. Three of the 10 NCC DCs were subsequently closed, leaving a total of 7 ARNG DCs. The seven remaining DCs—including four NCCs, the AHS Installation Processing Node, an alternate site providing disaster recovery data backup, and the PEC—support local applications or services used by the individual states, territories and the District of Columbia.

Data Discovery

The ADCCP tracking tool identified 211 applications sorted by mission category. Additionally, per ADCCP guidance, the tracking tool identified all applications meeting the definition of an Internet-facing application to support planning their future move to a demilitarized zone.

Application Rationalization

Consolidation activities focused on reducing the overall number of ARNG applications by way of the ADCCP rationalization process, which upgraded the security posture of the fielded application set, expanded virtualization technologies, and used common services. The ARNG ADCCP team hosted focused rationalization meetings with each directorate to

determine the recommended end state of each application (kill, modernize or sustain), in accordance with the published ADCCP application rationalization procedures. In FY12, the ARNG met the ADCCP timeline for identifying the rationalization designations for each application and is conducting an analysis with mission area and functional leads in order to establish modernization plans, achieve further efficiencies and reduce applications by 25 percent. Additional consolidations and reductions will be the focus of the ARNG CIO as part of their overall IT investment management process. The ARNG CIO/G6 has been working with the NGB Joint Staff to prioritize critical applications and identify data recovery and application continuity requirements, which will drive the consolidation and modernization efforts going forward.

ARNG is on track to meet 25 percent reduction in applications. These applications and associated costs will be reviewed for potential savings. Additional consolidations and reductions will be the focus of the ARNG CIO as part of their overall IT investment-management process. The ARNG CIO/G6 has been working with the NGB Joint Staff to prioritize critical applications and identify data recovery and application continuity requirements, which will drive the consolidation and modernization efforts going forward.

Network and Application Security Improvement

In addition to consolidating DCs and reducing applications, the ARNG has made a significant effort to upgrade the security posture of the ARNG's hosted application through security and net worthy certification and accreditation. Applications not meeting the DoD and Army policy for security and processing are being evaluated for removal from the network or modernization to meet current policy.



Soldiers of the Winchester-based 3rd Battalion, 116th Infantry Regiment, 116th Brigade Combat Team man the operations center during a simulated exercise at Fort Pickett, VA, during the unit's annual training period.

Photo by SSG Andrew H. Owen

Equipping Readiness

The ARNG continues to refine equipping efforts to fill shortfalls and to replace its aging fleet in support of the Army's full-spectrum ARFORGEN-based equipping strategy. The National Guard and Reserve Equipment Appropriation (NGREA) enabled the ARNG to modernize, equip, maintain and sustain ARNG's overall readiness rates. The NGREA is a three year appropriation provided by Congress to all RC for procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurements. The Congressional intent for NGREA funding is to fill shortfalls in equipment provided by the Service and to help keep the ARNG relevant in both OCO and domestic operations. These efforts focused on equipment modernization, improving maintenance and emphasizing CDU equipment. This strategy ensures the ARNG has the right equipment to support HD/DSCA and the war fight. As a result of these efforts, along with congressional support of Army procurement, the ARNG has modernized equipment and is well trained to support both the home front and worldwide global missions.

Top ARNG Focus Areas

- Equipping ARNG units for pre mobilization training and deployment
- Equipping ARNG units for their homeland missions
- Achieving full component-level transparency for equipment procurement and distribution
- Modernizing the ARNG tactical wheeled vehicle fleet
- Improving interoperability with AC forces
- Modernizing the ARNG helicopter fleet

Equipment Modernization Success

The ARNG recently completed the third year of a six-year effort to modernize all the tanks and Bradley fighting vehicles in its armored force, which includes seven Armored BCTs (ABCTs), three CABs and the 1-221st Armored Reconnaissance Squadron (ARS). This past year, three of the ARNG's seven ABCTs received modernized Bradley fighting vehicles and one ABCT received modernized tanks. Engineer units were the first to receive modernized equipment. All seven ABCTs, CABs and the ARS will receive new Bradley vehicles and tanks by FY15.

Significant modernization continues for the ARNG aviation fleet. The AH-64D Apache will be fully fielded by FY14. The CH-47D Chinook will be modernized to the CH-47F Chinook by FY18. The UH/HH-60A Blackhawk will be modernized to the UH/HH-60L/M Blackhawk by FY23. The OH-58A/C Kiowa Warrior will be modernized to the UH-72A Lakota by FY16. NGREA continues to fund the UH-72A Lakota MEP retrofit for Homeland Defense missions.

FY12 and FY13 Funding Profile

The Army and Congress continue to equip the ARNG as an operational force. The ARNG will receive a projected 78,253 pieces of equipment valued at approximately \$9.1B from June 2012 through September 2013. In addition, the Army continues to fund the modernization of existing ARNG equipment. In the FY12 President's Budget, the Army allocated approximately \$3.3B in base funding for ARNG equipment modernization. Highlights include \$540.0M for CH-47 Chinook, \$215.0M for UH-72A Light utility helicopter, \$209.0M for UH-60M Blackhawk, \$387.0M for family of medium tactical vehicles, and \$208.0M for



Photo by SPC Brian Johnson

SPC Brian Henderson, a heavy equipment operator with the 652nd Engineering Detachment of the 104th Troop Command Battalion of the Virgin Islands National Guard connects a trailer to a truck cab in preparation to conduct a hauling mission, during annual training at home station. This unit training consisted of maneuvering vehicles on loading and hauling missions.

Bradley fighting vehicle recapitalization. In light of current funding levels, production capacities, and the age of ARNG equipment, the ARNG tactical wheeled vehicle and helicopter fleets will require a long-term investment over the next 10 years to adequately address shortfalls and modernize fleet capabilities. The FY13 President's Budget request provides an Army investment of approximately \$1.6B in base funding for ARNG equipment.

Previous Congressional Appropriations for ARNG Equipment Funding

The ARNG FY10 NGREA funding consisted of a base budget of \$575.0M. The ARNG concluded FY10 with a 100-percent commitment and obligation rate. In FY11 the ARNG received \$250.0M of NGREA funding with 96.8 percent obligations. The ARNG remained focused on executing funds as soon as possible to ensure fielding of equipment from the ARNG buy list was implemented in a timely manner. Categories procured in FY11 is outlined in Table 5.

In FY12, the ARNG received \$325.0M of NGREA, with a current commitment of \$284.5M and obligation of \$262.0M. The ARNG will continue to execute these funds to purchase equipment outlined in Table 6. The ARNG obligated \$104.0M of NGREA funds for engineer mobility systems, domestic operations and medical equipment. Purchases included the D7R bulldozers, Joint Incident Site Communications Capability Systems and ground medical equipment sets.

The ARNG FY10 Congressional Add Account was closed out. The close-out commitment and obligation rate was 94 percent. The funding received for FY10 was \$91.7M and is

FY11 NGREA Base Buy List

Procurement Description	Base Amount
Aviation	\$ 58,980,480
Battle Command (Standard Integrated Command Posts, Global Broadcast System)	\$ 78,073,316
Engineer	\$ 38,506,000
Force Protection (Chemical Detection, Decontamination Trailer)	\$ 35,306,257
Tactical Power Generation/ Distribution (PDISE Generators)	\$ 8,199,240
Training Aids, Devices and Simulators	\$ 30,932,981

Table 5 - FY11 NGREA Base Buy List

currently being executed to purchase those items as specified by Congress. FY10 was the last time that Congress provided the RC with congressional adds.

Funding for New and Displaced Equipment Training

New equipment training (NET) and displaced equipment training funding depends on the amount of new equipment scheduled to be received. In FY12, the ARNG received \$68.5M in NET funding to field new equipment. Incremental costs related to fielding new equipment, such as conducting live firing, providing range safety officers, range control managers, ammunition handlers and medics, are not funded by the NET program. When equipment is fielded, additional equipment and personnel are frequently required to prepare or process the equipment for training. Additional NGPA funding would allow the states to provide an augmented body of Soldiers for required "support" and "processing" activities directly related to NET events.

Equipment on Hand

The ARNG continues to manage available resources in support of both domestic and wartime efforts. Beginning in FY06, the Army significantly increased its investment in ARNG equipment to meet overseas contingency requirements, convert to a modular force and fulfill its CDU equipment commitment. This rapid improvement in ARNG EOH ensures that the ARNG can fulfill its dual-missions. ARNG EOH percentages will be affected by changing MTOE requirements and modernization of equipment. The net result has been a more ready and modern force prepared for utilization as an operational force.

FY12 NGREA Base Buy List

Procurement Description	Base Amount
Aviation	\$ 73,578,823
Domestic Operations	\$ 19,336,656
Engineer	\$ 56,207,000
Logistics	\$ 82,433,882
Medical	\$ 47,052,778
Security	\$ 2,029,800
Training Systems	\$ 44,360,587

Table 6 - FY12 NGREA Base Buy List

Total EOH is at 89 percent of total equipment requirements (i.e., MTOE requirements) in 2012 (up from 69 percent in FY06). CDU equipment—a subset of MTOE equipment available for use by governors—is at 81 percent (up from 65 percent in FY06). This EOH percentage does not include equipment that is used for particular purposes (i.e., TDA equipment), such as for schools, CSTs, premobilization training, states' JFHQs and other ARNG requirements. Additionally, some TDA equipment is critical to perform domestic missions.

Budget Operating Systems

The equipment item listed in each Budget Operating System (BOS) reflects the ARNG's most critical shortages for FY14. There are two categories for the BOS: (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 maneuver, maneuver support and maneuver sustainment missions.

FY14 Budget Operating Systems

Budget Operating Systems	Type System	Quantity		Percent Fill (%)	Funding Shortfall (\$M)	Discussion
		FY14 Required	FY14 On-Hand			
Air Defense	Air/Missile Defense Planning and Control System (AMDPCS)	3	2	66%	\$ 12.0	The Air and Missile Defense (AMD), Space/Ground Missile Defense BOS consists of systems that detect, track and destroy enemy air and missile attacks. AMD systems play a significant role in supporting contingency operations and protecting our homeland airspace. The upgrade of existing improved sentinel radars is at 53 percent with fielding delayed due to theater needs. Planned funding will improve AMD C2 systems, but funding for the AMDPCS awaits the outcome of the future Army Integrated Air and Missile Defense System upgrade. Sustainment and modernization of legacy (Avenger) systems remains a concern.
	Improved Sentinel Radar	82	44	53%	\$ 70.0	
	Air Defense Airspace Management System	81	50	62%	\$ 12.0	
Aviation	UH-60L Blackhawk (Modernization)	480	202	43%	\$ 4,900.0	FY14 EOH quantities comprise a mixed fleet of cascaded, new, converted, and retiring aircraft and are funded by procurement and NAREA funding. Blackhawks, Chinooks, and AGSE are CDU items. UH-72 fielding (total requirement of 212) will be complete in FY16. Including cascades and increasing requirements, UH-60A to L modernization is not planned to be completed until FY23-27. AH-64D (full requirement of 192) will be fully fielded as Block IIs by FY17. All 161 CH47s will be modernized to F models by FY18. ARNG is divesting fixed-wing aircraft to support the Army's new MTOE company structure. The FY15 ARNG requirement will be reduced to 64 aircraft.
	UH-60M Blackhawk (Modernization)	40	36	90%		
	UH-72A Lakota	81	85	105%	\$ 0	
	AH-64D Apache	144	107	74%	\$ 1,100.0	
	CH-47F Chinook (Modernization)	24	9	38%	\$ 402.0	
	Aviation Ground Support Equipment (AGSE) 54 LINs	15,674	10,195	65%	\$ 33.5	
Mission Command	Global Broadcast Systems (GBS)	304	198	65%	\$ 23.0	The Mission 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. GBS is a satellite communications system that provides large volumes of information to deployed, or garrison forces. GBS processes both classified and unclassified information products such as: imagery, intelligence, video (NTSC and digital), theater message traffic, joint and service-unique news, weather and entertainment programming. FBCB2/BFT is a digital battle command information system that provides integrated, on the move near real time C2 and situational awareness information from platforms to echelons at CORPS and above across all battlefield functional areas via satellite L-band communications.
	Blue Force Tracker (BFT)	30,007	17,316	57%	\$ 394.4	

Table 7 - FY14 Budget Operating Systems

Hometown Force

Budget Operating Systems	Type System	FY14 Required Quantity		FY14 On-Hand Quantity		Percent Fill (%)	Funding Shortfall (\$M)	Discussion
		Quantity	Quantity	Quantity	Quantity			
Combat Service Support Quartermaster, Ordnance & Medical	Shop Equipment: Contact Maintenance	2,009	1,752	87%	\$ 66.0	The CSS Quartermaster, Ordnance & Medical BOS consists of medical, fuel, water, maintenance and food systems. Recent utilization of FY12-13 NGREA will improve the on-hand posture of CSS. The ARNG will achieve over 90 percent of requirements for MTRCS, containerized kitchens, assault kitchens, 5K Light Capacity Rough Terrain Forklifts and liquid storage tanks-water (HIPPOs) by FY16. These systems play a vital role in the ARNG's HD/DSCA missions.		
	2000 Gal Water Tank-Rack (HIPPO)	660	509	77%	\$ 39.3			
	Multi-Temperature Refrigerated Container System (MTRCS)	303	113	37%	\$ 21.5			
	Assault Kitchen	114	43	38%	\$ 5.4			
Combat Service Support Transportation	Semi-Trailer: Flat Bed: 34 Ton	4,349	3,659	84%	\$ 29.9	The CSS Transportation BOS includes MTVs, HTVs, and Tactical Trailers. The HMMWVs are a critical asset in supporting HD/DSCA operations. The ARNG achieved 100 percent of FY17 requirements. The HMMWV Fleet consists of 35 percent Up-Armored HMMWVs and 33 percent Recapped Legacy HMMWVs. The ongoing Army 2020 TWV reduction study may reduce the ARNG's overall HMMWV requirements. The ARNG MTVs Fleet is projected to be 91 percent FMTV pure by FY13 and 51 percent of the fleet will be the most modern up-armored models. The ARNG FMTV Fleet modernization level increased from 36 percent in FY10 to 63 percent in FY12 due to significant Army and ARNG funding investments. The next critical Army decision point in FY13 will be to determine a recapitalization or replacement strategy for the First Generation FMTVs, which are approaching 15 years of service life.		
	Semi-Trailer: Low Bed: 25 Ton	748	279	37%	\$ 47.9			
	Armored Security Vehicle	1,333	766	57%	\$ 572.5			
	Medium Tactical Vehicle (MTV)	30,388	29,233	96%	\$ 317.0			
Intelligence & Electronic Warfare	Prophet Electronic Support Spiral	69	15	22%	\$ 108.0	The Intelligence and Electronic Warfare (IEW) BOS consists of a variety of military subsystems. The systems within the IEW BOS portfolio are the Trojan Special Purpose Intelligence Remote Integrated Terminal, Prophet, 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. DCGS-A supports network-centric warfare by providing timely battle management and targeting information to the field commanders at all echelons. DCGS-A also emphasizes the use of distributed operations to improve data access and reduce forward footprint. The Prophet Electronic Support Spiral I equipment shortfall is the result of a production halt well short of the Army Acquisition Objective (AAO) (126 produced of 225 AAO); production delays in Prophet Enhanced (authorized in-lieu-of); CONUS fielding delays due to theater priorities and vehicle platform decision delays; and disparity between required manning to field the system per Basis of Issue Plan and the ARNG manning availability to receive the system. Prophet Enhanced is tentatively on schedule and on budget to meet 100 percent fill of Prophet (Spiral I/Enhanced) AAO by 4Q FY16.		

Table 7 - FY14 Budget Operating Systems, Cont.

Budget Operating Systems	Type System	FY14 Required Quantity				Discussion
		FY14 Required Quantity	FY14 On-Hand Quantity	Percent Fill (%)	Funding Shortfall (\$M)	
Maneuver	Funding is in place to field all requirements by FY15.					The Maneuver BOS consists of combat vehicles (including the Abrams, Bradley, Hercules, and Stryker vehicles and armored personnel carriers), crew-served weapons systems such as mortars and battlefield missiles and Long Range Acquisition Scout Surveillance System.
Mobility	Hydraulic Excavator (HYEX)	133	97	73%	\$ 12.7	FY14 EoH quantities comprise a mixed fleet of new build, rebuild, and legacy engineer systems and are funded by a mix of Army and NGREA procurement funding. With the exception of the Water Well Drill rig and 40HP family of outboard motors, the above systems are critical dual use items. Outboard motors are not procurable and have no projected contract date. The 15 passenger boat is not expected to be procurable until FY14 or 15. Water Well Drill rig fielding is complete, but two systems were sent to theater to support the warfight; ARNG and HQDA are staffing a payback plan.
	15-Passenger Boats	375	131	35%	\$ 4.6	
	Water Well Drill Rig	6	4	67%	\$ 4.0	
	Outboard Motor Gasoline: 40 Brake Horsepower (BHP)	122	0	0%	\$ 2.2	
	Outboard Motor Gasoline: 35 HP Silenced Waterproofed	365	67	18%	\$ 1.3	
Nuclear, Biological & Chemical Force Protection	Chemical and Biological Protection Shelter (CBPS)	285	18	6%	\$ 251.0	The Nuclear, Biological, and Chemical Force Protection BOS consists of systems to support chemical, biological, radiological, and nuclear activities. Production of the MTV,CBPS System is scheduled to begin in the first quarter of FY13. The 18 systems on hand in FY13 are legacy systems mounted on HMMWVs. Delivery of 16 systems for the ARNG is scheduled for FY15. The ARNG may use NGREA to supplement the Army's base-budget funding for CBPS and to extend the MTV platform production contract beyond FY14. Quantity On-hand SUB-LINs.
Soldier Systems	Full funding is planned to fill remaining shortages and modernize legacy equipment over the next six years.					The Soldier BOS includes night vision goggles (NVGs), thermal weapon sights, weapon support items, and individual and crew-served weapons. On-hand levels are improving in all areas of the Soldier BOS. Many legacy systems are being modernized to lighten Soldier load and improve performance. NGREA provided funds to fill shortfalls of M25 binoculars, shop maintenance sets and NVGs.
Strike	Bradley Fire Support Team Vehicle (BFIST) Family	101	87	86%	\$ 444.0	Strike systems play vital roles in warfight missions. ARNG firing systems (Howitzers, rocket launchers, etc.) are fully fielded with modernization to complete in FY28. BFISTs will complete fielding in FY15. The LLDR family will complete fielding and modernization in FY19. The Counter-fire radar family includes Fire Finders and Lightweight Counter-Mortar Radars (LCMR). LCMRs are funded with fielding delayed by production challenges. Counter-fire radars are funded with fielding to be complete in FY20.
	Lightweight Laser Designator Range Finder (LLDR) Family	1,091	897	82%	\$ 71.0	
	Lightweight Counter-Mortar Radars (LCMR)	87	68	78%	\$ 31.0	

Table 7 - FY14 Budget Operating Systems, Cont.



Photo by SPC Joseph K. VonNida

A M973A1 small unit support vehicle (SUSV), clad in emergency lights and digital camouflage, claws its way through the snow at Taylor Park Reservoir near Gunnison, CO. The SUSV, which is capable of traversing almost any terrain, is the primary vehicle used by the Colorado Army National Guard's Snow Response Team (SRT). This relatively unknown asset can be used by the team to assist state and local rescue teams during nearly every type of disaster, state emergency or search and rescue.

Achieving Transparency within the Army's Procurement Process

The Army has continued to aggressively pursue transparency and traceability of procurement-funded equipment from the President's Budget request to deliver at the unit level during FY12. To this end, the Army has taken multiple steps toward achieving transparency, including institutionalizing a formal Post-Appropriation Reconciliation Process (PARP), supporting two Integrated Process Teams (IPTs) and the Enterprise Management Office, publishing quarterly equipment transparency reports, maintaining component-specific funding information throughout the procurement cycle, and taking advantage of an item-unique identification (IUID) system for tracking equipment deliveries to their funding source. At the end of FY12, the Army's transparency efforts were tracking a total of 116 programs with a combined value of approximately \$19.6B. The Army will not be able to accurately assess the ARNG transparency efforts until FY14.

The Army has two separate IPTs addressing the related issues of financial traceability and transparency and delivery traceability and transparency. The Financial Synchronization and Transparency IPT, chaired by HQDA G-8, is chartered with determining the processes and best practices that need to be implemented to provide transparency of appropriated funds from initial budgetary requests to execution. Similarly, the Delivery Certification IPT, co-chaired by HQDA G-4 and G-8, is charged with designing and establishing a physical delivery tracking system that will link delivered equipment with its initial funding source. Both of these IPTs continue to report the status of their efforts to the quarterly Transparency General Officer Steering Committee.

Despite the uncertainty of receiving formal appropriations in any given fiscal year, HQDA continues to utilize the PARP to realign enacted funding with congressional intent and HQDA budgetary requests. This process reestablishes component-specific funding splits so that the ARNG receives adequate funding to achieve and maintain its high state of equipment availability and readiness. Core to the process, the PARP establishes a metric from which deviations can be identified and assessed to determine, among other actions, whether payback actions are warranted and to gauge the overall efficiency of post-appropriation funds execution.

The Army continues to expand its equipment delivery and traceability transparency efforts to include a robust, automated IUID system that traces deliveries of equipment in unit property books to the funding year and appropriation from which those items were resourced. This system, when fully implemented, will facilitate Chief, NGB compliance with National Defense Authorization Act 2008 requirements by providing a tool with which certification of equipment deliveries can be made. This effort is on schedule to become fully established by FY14.

Transparency efforts continue to pay dividends to the ARNG. Utilizing transparency-specific business rules and examining equipment deliveries, the Army has identified numerous instances where under delivery of equipment or diversion of funds during FY09 and FY10 resulted in paybacks to the ARNG. The continued refinement and institutionalization of processes, business rules and data systems established by the integrated product team will ensure the Army's transparency and equipment tracking processes remain on schedule for full implementation by FY13. Product Manager, Joint-Automatic Identification Technology is currently in the process of adding IUID devices to all assets with a property book value of over \$5,000.

Army National Guard Top 25 Equipment Modernization/Shortfall Category List

The ARNG's Top 25 Equipment Modernization/Shortfall Category List is the Guard's venue for proposing systems that should be given additional and special attention by NGB, the Army and congressional leadership. The ARNG Top 25 list is developed annually and released to coincide with the National Guard Association of the United States (NGAUS) Industry Day. The list identifies systems or capabilities required by the ARNG for modernization and/or filling of

FY14 Top 25 Equipment Modernization/Shortfall Category List

• Army Mission Command Systems (FBCB2, BFT) *
• Aviation Support Equipment (AGPU) *
• Aviation Systems (UH-60M) *
• Chemical Biological Protective Shelter (CBPS) *
• Combat Mobility, Armored Breaching Vehicle (Boat Landing 15 man, Combat Dozer Blade) *
• Communications Security Simple Key Loader (SKL) *
• Domestic Operations Equipment (Decon Trailer) *
• Field Feeding Systems, Multi-Temperature Refrigerated Container Systems *
• General Engineering Equipment (Grader, Road, Roller Motorized) *
• Heavy Tactical Vehicle (Truck, Palletized) *
• Light Tactical Vehicle (ASV) *
• Lightweight Laser Designator Rangefinder *
• Liquid Logistics, Tactical Water Systems (HIPPO)
• Medical Communications for Combat Casualty Care (MC4) *
• Medical Field Systems Medical Equipment Set (MES Air, MES Combat) *
• Medical Tactical Vehicle (Truck, Cargo 5 Ton) *
• Mortar Systems (120mm, Towed)
• Radars (Sentinel; LCMR)
• Satellite Systems (TSR-8, TSC-156) *
• Sets, Kits and Outfits (Tool Kit Electricians)
• Tactical Electrical Power (5kW, 10kW, 30kW, 60kW)
• Tactical Radios (JEM) *
• Tactical Trailers (Flat-Bed -34T) *
• Test Measurement Diagnostic Equipment (MSD)
• Training Devices/Simulators (BCT/IRT, VCOT, MSATS)

List is not prioritized, items are listed alphabetically

* NGAUS Resolution Blue=Carryover Red=Add/Updated

Table 8 - FY14 Top 25 Equipment Modernization/Shortfall Category List

shortfalls of equipment in support of homeland defense, expeditionary and disaster response missions. The Army and Congress continue to support equipping the ARNG with modern equipment. However, the ARNG procurement funding is expected to decrease in future years. The Top 25 List is a direct result of the shortfalls in the Army Program Objective Memorandum funding. Without the funding the capabilities to perform support for homeland defense and federal missions is directly affected. Providing additional procurement capabilities (funding and sources) for items identified on this list will positively impact ARNG unit capability and readiness through equipment modernization.

The ARNG's prioritized top 10 FY11 Shortage List is listed in Table 9 and some items are included in the Top 25 list and may be in procurement or being fielded. The Top 25 list contains carryovers from previous years, NGAUS resolutions, additions and updates for inclusion in the FYDP. The Top 25 would better equip the ARNG and benefit our Soldiers to continue to be a unique operational force to sustain our proud motto, "Always Ready, Always There" in support of our nation's call.

Summary

The ARNG is continuing to upgrade equipment as an operational force while continuing to meet its dual-missions as a Hometown Force with Global Reach. It is critical for the ARNG to continue modernization efforts and embrace the Army's ARFORGEN-based equipping strategy by increasing interoperability of equipment. The Army continues to demonstrate a strong commitment to modernize the ARNG. Today and into the future, ARNG units will be side by side with the AC, and it is critical to the Army's long-term ability to embrace the future of the Guard and its unique capabilities. Through the Army's commitment and current funding levels it will require a long-term investment to modernize aged equipment and facilities.



Photo by SGT Juanita Philip-Mathurin

SPC Brian Henderson, a heavy equipment operator with the 652nd Engineering Detachment of the 104th Troop Command Battalion of the Virgin Islands National Guard connects a trailer to a truck cab in preparation to conduct a hauling mission, during annual training at home station, May 2012. This unit training consisted of maneuvering vehicles on loading and hauling missions.

FY11 ARNG Significant Major Item Shortages

Priority	Nomenclature	Total Required	Items Short	Total Shortage Cost (\$M)	Rationale/Justification
1	Command Post (TOC/SICPS)	39,199	24,996	\$ 2,244,154,340	Integrated command posts with Force XXI Battle Command, Brigade & Below (FBCB2) continue to represent a critical shortfall for the ARNG.
2	Family of Medium Tactical Vehicles	29,718	3,162	\$ 1,314,096,851	The FMTV trucks are replacement vehicles for existing non-deployable M35 series and 800/900 series 2.5 and 5 ton trucks still resident within the ARNG fleet.
3	LUH MEP	100	100	\$ 166,000,000	LUH-72A MEP encompasses HLD/DSCA/HLS mission support objectives of modernization & force structure transformation aligning with AC.
4	Armored Security Vehicle (ASV)	1,196	616	\$ 621,992,448	ASV can be employed in both the homeland defense and expeditionary roles for crisis management.
5	Warfighter Information Network - Tactical (WIN-T)	651	279	\$ 532,707,399	The WIN-T network provides C4ISR support capabilities that are mobile, secure, survivable, seamless, and capable of supporting multimedia tactical information systems within the warfighters' battlespace.
6	Tactical Radios	65,644	49,313	\$ 438,345,905	Required to fill critical shortages in the ARNG tactical communications requirements. New versions required to interoperate with civilian first-responders.
7	Shadow TUAS	30	10	\$ 329,400,000	TUAS systems and their associated crew trainers are required for employment of these systems both in homeland defense and expeditionary missions.
8	General Engineering Equipment	4,056	702	\$ 214,398,118	Horizontal/Vertical construction, diving, and firefighting equipment critically under filled. Required for homeland defense response missions.
9	Chemical/Biological Protective Shelter	285	278	\$ 203,863,794	CBRNE collective protective systems required for CCMRF missions.
10	Tactical Trailers	47,182	1,232	\$ 113,967,776	Light, medium and heavy tactical trailers are required to transport miscellaneous cargo in support of all mission assignments (HLS/HLD, OCO).

Table 9 - FY11 ARNG Significant Major Item Shortages

Note: This table provides the ARNG top-ten prioritized shortage list for major items of equipment required for wartime missions but which may not be funded in the FYDP. It lists the total quantity required, the total unfunded requirement, the individual item cost and the cost of the unfunded portion. This data is consistent with other unfunded data submitted by the Service as of submission date.

FY14 ARNG Top 25 Equipment Modernization/Shortfall Category List

The products shown in the section below are representative examples of products within each category. The products are not all-inclusive of those within the Top 25 Categorized List (Table 8) and the BOS (Table 7).

Army Mission Command Systems

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

LINs: C18378 and C13866



Description: The FBCB2/BFT is a digital battle command information system that provides integrated, on the move, near real-time mission command and situational awareness information from platforms to echelons above CORPS and across

all battlefield functional areas by way of satellite L-band communications. Army mission command systems are critical for the ARNG because it supports the HD/DSCA missions along with other OCO.

FY14 Funding Shortfall: \$394.4M

Aviation Support Equipment

Aviation Ground Power Unit (AGPU)

LIN: P44627



Description: 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.

FY14 Funding Shortfall: \$24.7M

Aviation Systems

Helicopter, Utility: UH-60M Blackhawk

LIN: H32429



Description: The UH-60M is a twin turbine engine (T700-GE-701C) single rotor, semi-monologue fuselage helicopter. It serves the same function as the UH-60A/L/Q but has 14 airframe strengthening improvements, improved durability main gearbox, and digitized avionics. The UH-60M is capable of transporting 9,000-10,000 pounds cargo (internally and externally), 11 combat equipped troops and weapons during day, night, visual and instrument conditions, with the installation of designed mission flexibility kits. The UH-60M Blackhawk may be configured to perform extended range operations, self-deployment, or mine dispensing as required.

FY14 Funding Shortfall: \$1.03B

Chemical Systems

Chemical Biological Protective Shelter (CBPS)

LIN: Z01533



Description: The M8E1 CBPS is a highly mobile, self-contained collective protection system that provides a contamination free, environmentally controlled

working area for combat medical services and combat service support personnel to work freely without continuously wearing chemical-biological protective clothing.

FY14 Funding Shortfall: \$251.0M

Combat Mobility

Combat Dozer Blade

LIN: Z01137



Description: The Combat Dozer Blade (CDB) is a self-contained unit that mounts on the front of the assault breacher vehicle (ABV). The blade is hydraulically controlled and performs the same functions as a blade on a bulldozer. The system is used in the offensive task to push through or push aside obstacles impeding forward movement and preparing ground for bridging operations. In defensive operations it can be used to provide simple earthmoving operations such as minor earthworks and fighting positions, preparing antitank positions and clearing rubble.

FY14 Funding Shortfall: \$2.24M

Communications Security

Simple Key Loader (SKL)
LIN: C05002



Description: The Computer Set Digital: SKL, AN/PYQ-10(C) provides for storage and distribution of COMSEC (Communication Security) electronic protection key material and Transmission Security (TRAN-

SEC) data for tactical and strategic secure communications systems. The device will aid the general-purpose user in managing, distributing, loading and viewing signal operation instructions, and identifying keys for all electronic keyed cryptographic systems.

FY14 Funding Shortfall: \$190.3M

Domestic Operations Equipment

Decontamination Trailer Mobile Mass C130 Deployable



Description: In the event of a CBRN incident or weapons of mass destruction (WMD) attack, the Homeland Response Force and/or CBRNE Enhanced Response Force Package (CERFP) units will use C-130 deployable mobile mass decontamination trailers to conduct mass casualty decontamination. The mobile mass decontamination trailers are self-contained "hot/cold" water decontamination capability for CBRN incident victims, responders and responder equipment.

FY14 Funding Shortfall: \$3.1M

Field Feeding Systems

Multi-Temperature Refrigerated Container Systems (MTRCS)
LIN: M30688



Description: The MTRCS is a 20x8x8 International Standards Organization container used for the distribution and storage of perishable and semiperishable subsistence in support of the Army Field Feeding System. The MTRCS refrigeration system will operate during transport and will have the capability to simultaneously keep frozen, chilled, perishable or semiperishable operational rations at appropriate temperature for safe food handling.

FY14 Funding Shortfall: \$21.5M

General Engineering Equipment

Grader, Road
LIN: M05001



Description: This is a commercial off the shelf item with an A-Kit which consists of weld bosses located around the cab for armor attachment. Armor B-Kits are available as designated. The Grader is a three

axle, heavy-duty pneumatic tire vehicle that is intended to be used for shaping, bank sloping, ditching, scarifying, and spreading construction materials at engineering and construction sites in the entire range of military operations. A rollover protective structure is built into the falling object protective structure covering the cab of the grader. Permanent lockable toolboxes capable of storing all Basic Issue Items (BI) are attached. The power source is a 6-cylinder diesel engine. This equipment is also useful for domestic disaster recovery operations.

FY14 Funding Shortfall: \$44.0M

Heavy Tactical Vehicle

Truck, Palletized
LIN: T55054



Description: The M1120 heavy expanded mobility tactical truck (HEMTT) is a standard U.S. military forward resupply vehicle in the Up to 140,000-pound GVW class. The M1120 HEMTT load handling system (LHS) has the

same load handling system as the newer M1074/M1075 palletized loading system (PLS) vehicles. It allows the vehicle driver to load and unload cargo without additional material handling equipment, and without leaving the vehicle cab. The M1120 HEMTT LHS consists of a standard HEMTT M977, M978 or M985 chassis equipped with an integral load-handling system, providing self-load/unload capability and capable of transporting an 11-ton payload. LHS carries equipment/ammunition/supply loads on demountable "flat rack" cargo beds and is able to tow an 11-ton payload trailer also capable of carrying flat racks. The containerized roll-in/out platform (CROP), an A-frame type flat rack that fits inside a 20-foot ISO container, gives the HEMTT LHS added cargo carrying capability. Flat racks and CROPs are interchangeable between interchangeable between HEMTT LHS and the M1074/M1075 PLS trucks. M1120 HEMTT LHS can also be used with the M1076 PLS trailer.

FY14 Funding Shortfall: \$400.0M

Light Tactical Vehicle

Armored Security Vehicle, (ASV), Wheeled with Mount
LIN: A93374



Description: The M1117 ASV is a turreted, armored, all-wheel drive vehicle that supports military police missions—such as rear area security, law and order operations, battlefield circulation and enemy prisoner of war operations over the entire spectrum of war and operations other than war as well as convoy protection

missions. The ASV provides protection to the crew compartment, gunner's station and the ammunition storage area. The turret is fully enclosed, with both an MK-19 40 mm grenade machine gun and a .50-caliber machine gun, and a multi-salvo smoke grenade launcher. The ASV provides ballistic, blast and overhead protection for its four-person crew. The ASV, with a payload of 3,600 pounds, 400-mile-plus range, and top speed of nearly 70 miles per hour, ensures both lethality and survivability.

FY14 Funding Shortfall: \$572.5M

Lightweight Laser Designator Range Finder

Ranger Finder, Target Designator: Laser AN/PED-1
LIN: R60282



Description: The AN/PED-1, Lightweight laser designator range finder, (LLDR) is a man-portable laser designator used in targeting artillery fire and close air support and has the capability to designate for precision munitions. It provides this unique capability to forward observers and forward air controllers. The system can recognize targets in day, night and obscure conditions, range to the target at an eye safe wavelength, and calculate grid coordinates with its own GPS/Elevation/Azimuth capability. The system then provides this information to other members of the digital battlefield. Also included is a NATO-coded laser designator for use with semiactive laser guided missiles and laser spot trackers.

FY14 Funding Shortfall: \$71.0M

Liquid Logistics, Tactical Water Systems

Compatible Water Tank Rack System (HIPPO)
LIN: T32629



Description: The compatible water tank rack system, HIPPO, is a mobile hard wall system mounted on an ISO tank rack that provides 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 placed on the ground and off-loaded to establish water supply points.

FY14 Funding Shortfall: \$39.3M

Medical Systems

Medical Communications for Combat Casualty Care (MC4)
LINs: C18209, C18277, C18345, C27503, C27571, C27639 and C41358



Description: The MC4 system is composed of seven Army-approved medical communications tools used by medical personnel to read and record medical information of soldiers receiving medical care. This equipment is required by the ARNG as it

allows medical personnel access to the personal medical baseline information of patients in their care, enhances medical readiness and provides a comprehensive life-long electronic medical record for all Servicemembers, ensuring continuity of care and reducing medical treatment and record-keeping mistakes. MC4 effectively links health care providers and diagnostic systems.

FY14 Funding Shortfall: \$62.3M

Medical Field Systems

Medical Equipment Set (MES) Air
LIN: M29213



Description: The set provides supplies and equipment for medical treatment in order to meet mission specific requirements. There are several variations of the MES to complement ambulance, helicopter and fixed facilities. The Army Medical Material

Agency is responsible for stocking and updates of those individual items.

FY14 Funding Shortfall: \$42.0M

Medium Tactical Vehicle

Standard Cargo Truck (M1083)
LIN:T41515



Description: The M1083 standard cargo truck is designed to transport cargo and soldiers. The M1083 has a payload capacity of 10,000 pounds/5 tons and (to facilitate loading/unloading) the bed side rails are mounted on hinges. The cargo bed can be equipped with an optional bench seat kit for transport of soldiers. The bench seats are constructed of a nonwood material and attach to the cargo bed side rails. The seats can be folded down and stowed when not in use. Soldiers are assisted climbing in and out of the cargo bed area with the aid of a ladder stowed on the vehicle when not in use. A canvas and bows kit is provided to protect soldiers and cargo from the elements. The M1083 can be equipped with a self-recovery winch capable of fore/aft vehicle recovery operations. The winch has 280 feet of line capacity and 15,500 pounds bare drum line pull at 110-percent overload.

FY14 Funding Shortfall: \$317.0M

Mortar Systems

120mm Mortar Towed
LIN: M68326



Description: The M120, 120 mm Towed Mortar System is transported by the M1101 trailer and is placed and displaced using the M326 "quick stow" system. The mounted variants are the M121, 120 mm mortar, used on the M1064A3 mortar carrier (M113 variant), and the 120mm recoiling mortar system, used on the M1129 Stryker mortar carrier. All of the mortar systems fire a full family of ammunition including high-explosive, infrared and visible light illumination, smoke, and training.

FY14 Funding Shortfall: \$19.0M

Radars

Lightweight Counter Mortar Radar; (LCMR), AN/TPQ-50
LIN: Z00962



Description: The AN/TPQ-50 (V)3, LCMR system is a portable radar system that provides 360 degrees of azimuth coverage and is used to detect, locate and report locations of enemy indirect firing systems, such as mortars and rockets. The (V)3 upgrades the system from 1,000m/5,000m MIN/MAX range to 500m/10,000m range as well as

improves accuracy and ability to locate low trajectory rockets.

FY14 Funding Shortfall: \$31.0M

Satellite Systems

AN/TSC-156
LIN: S23268



Description: The super high frequency (SHF) multiband terminal: AN/TSC-156 Phoenix is a transportable multi-channel tactical satellite communications terminal operating in the super high frequency band. The Phoenix multiband tactical satellite communications terminal AN/TSC156A provides extended range multi-channel connectivity for communications to the Army forces prior to entering an assigned area of operations (AO), during the initial buildup of forces, to support operations in the AO, and recovery from the AO to the forward support base.

FY14 Funding Shortfall: \$61.6M

Sets, Kits And Outfits

Tool Kit, Electricians
LIN: W36977



Description: The tool kit is configured with individual hand tools and equipment to enable electricians to perform tasks related to the distribution and transmission of electrical power associated with construction and maintenance of buildings and facilities, power and transmission lines, interior and exterior lighting, installation and repair of lighting and wiring aboard ships. This tool kit is generally employed in Engineer units for individual and collective tasks related to the distribution and transmission of electrical power associated with construction and maintenance.

FY14 Funding Shortfall: \$0.8M

Tactical Electrical Power

Medium Generators, 5 kW, 10 kW, 30 kW, 60kW
 LINs: G42488, G07461, G62710, and G62960



Description: The tactical electrical power system consists of a variety of generator set sizes. These range from small generators to military tactical electric power medium generators 5, 10, 30, 60kW in the advanced medium mobile power source (AMMPS) family. AMMPS is third generation of mobile electric power generating sources (MEPGS) that replaces tactical quiet generators (TQGs). AMMPS employs advanced technologies to enhance power generation capability and improve engine control to achieve improved fuel efficiency.

FY14 Funding Shortfall: \$42.0M

Tactical Radios

Joint Tactical Radio System (JTRS) Enhanced Multiband Inter (JEM) /Intra Team Radio
 LINs: R55336, Z01320, M18029



Description: The JTRS (urban version) is a portable, battery-operated, communications system capable of operating in the full-frequency range of 30 to 512 Mhz 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 nonsecure communications and will allow for transmission of voice-in-a-whisper mode.

FY14 Funding Shortfall: \$42.4M

Tactical Trailers

Semi-trailer flatbed: Break-bulk, Container Transporter, Flat-bed 34T
 LIN: S70159



Description: The M872 is a commercially designed 34-ton semitrailer that is used to transport break-bulk or containerized cargo. It consists of a cargo bed and frame with side racks.

It is used primarily in local and line haul missions from the port area to the division rear areas, where it travels mostly on improved roads. It provides the capability to transport two 20 foot or one 40 foot container. The prime mover is the M915A3 truck tractor.

FY14 Funding Shortfall: \$29.9M

Test Measurement Diagnostic Equipment

Maintenance Support Device (MSD)
 LIN: T92889



Description: The MSD is part of integrated family of test equipment on-system testers. The MSD will host interactive electronic technical manuals and expert diagnostic systems and test program sets used to conduct intrusive testing in maintenance support to multi-commodity Army weapons/electronic systems.

FY14 Funding Shortfall: \$16.5M

Training Devices

Modular-Small Arms Training System (M-SATS)



Description: M-SATS is an expandable, preengineered, pre-fabricated, containerized two lane live fire modular small arms training system built to

accommodate rifle munitions. With an overall length of 120ft, the MSATS has complete ballistic protection, lighting, sound absorption, Heating and air conditioning systems, with a designated firing line equipped with ultra diamond plate shooting stalls with a fold down shooting tray and a collapsible shooting barricade, also designed for advancing downrange as well.

FY14 Funding Shortfall: \$24.9M

State Summaries

The ARNG federal appropriation supports the 54 states, territories and the District of Columbia. While conducting state missions, the ARNG is under the control of its state or territorial governor; however, when called into federal service operational control transfers to the President. Each state governor is the Commander in Chief of their National Guard force, while TAG, a two-star general either appointed by the governor or elected by the citizens, is responsible for training and readiness of National Guard forces in his or her state. The governors can, under 10 U.S.C. § 1201, call up members of the ARNG during domestic emergencies.

The purpose and authority for activation will determine limitations and duration of the activation. The Army and ANG may be activated in a number of ways as prescribed by public law. Broadly, there are two titles in the U.S.C. under which units and troops may be activated, Title 32 (i.e., Militia Code—primarily referring to state control of National Guard forces) and Title 10 (i.e., Armed Forces—primarily referring to the federal use of military, including National Guard, forces).



Photo by SSG Chad Nelson

SSG Brian Pappaducas, the drum major of the 34th Army Band, Iowa Army National Guard, renders a salute to the official party during the Veteran's Day parade at the Iowa State Fair, Des Moines, Iowa.

State Duty

When National Guard units are not under federal control, the governor is the Commander in Chief of the units of his or her respective state, territory (Guam, Virgin Islands), or commonwealth (Puerto Rico). The President of the United States commands the District of Columbia National Guard, though this command is routinely delegated to the Commanding General of the District of Columbia National Guard. States are free to employ their National Guard forces under state control for state purposes and at state

expense as provided in the state's constitution and statutes. In doing so, governors, as Commanders in Chief, can directly access and utilize the Guard's federally assigned aircraft, vehicles and other equipment if the federal government is reimbursed for the use of fungible equipment and supplies such as fuel, food and stocks. This is the authority under which governors activate and deploy National Guard forces in response to natural disasters. It is also the authority under which governors deploy National Guard forces in response to emergencies such as riots, civil unrest or terrorist attacks.

- The governor can activate National Guard Personnel to "State Active Duty" in response to natural or human-made disasters or Homeland Defense missions. State Active Duty is based on state statute and policy as well as State funds. Soldiers and Airmen remain under the command and control of the Governor. The Federal Posse Comitatus Act (PCA) does not apply.
- The Title 32 full-time National Guard Duty, is federally funded, but command and control remains with the state governor through TAGs.

Federal Duty

Title 10 duty refers to full-time ("federalized") duty in active military service of the United States. The President may call ARNG Soldiers into federal service in cases of invasion, rebellion or inability to execute federal law with active forces, as well as for other federal military mission. There are several forms:

- Voluntary Order to active duty: federalized with the Soldier's or Airman's consent and the consent of their Governor.
- Partial Mobilization: In time of national emergency declared by the President for any unit or any member for not more than 24 consecutive months.
- Presidential Reserve Call Up: When the President determines that it is necessary to augment the active forces for any operational mission for any unit or any member for not more than 270 days.
- Federal Aid for State Governments: Whenever an insurrection occurs in any state against its government, the President may, upon the request of its legislature or of its governor call into federal service such of the militia of the other states. This is a statutory exception to the PCA.
- Use of Militia and Armed Forces to Enforce Federal Authority: Whenever the President

considers that unlawful obstructions, assemblages or rebellion make it impracticable to enforce the laws of the United States in any state or territory, he may call into federal service such of the militia of any state. This is another statutory exception to the PCA.

- **Interference with State and Federal Law:** The President, by using the militia or the armed forces, or both, or by any other means, shall take such measures as he considers necessary to suppress, in a state, any insurrection, domestic violence, unlawful combination or conspiracy.

In the categories listed above, ARNG units or individuals may also be mobilized for noncombat purposes, such as the SPP, humanitarian missions, counterdrug operations and peacekeeping or peace enforcement missions.

Economic Impact

Federal funding is illustrated in the bar graph. Direct and indirect funding consists of: NGPA; military pay and allowances; OMNG; training and operations support and civilian payrolls; MCNG; military construction projects, utilities, municipal services, engineering services, maintenance repair, minor construction, environmental compliance, environmental conservation and pollution prevention. Some economists at U.S. academic institutions and government agencies recognize that direct spending, whether through the government or other means, typically has a “multiplier” effect throughout the local and regional economy. There is no consistent, recognized multiplier for government spending in local and regional economies, however various studies have placed multiplier

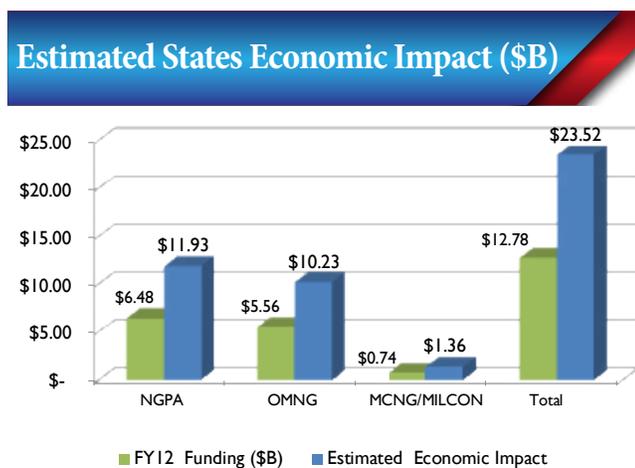


Figure 12 - Estimated States Economic Impact, in billions of dollars.

Notes:

1. The FY12 Economic-Multiplier is 0.839, which is the average of 26 bi-weekly multipliers for the 52 week period ending September 19, 2012.
2. Multiplier data obtained from the St. Louis Federal Reserve Bank, <http://research.stlouisfed.org/fred2/series/MULT>.

effects between 182 and 200 percent for some types of government spending.

United States Property and Fiscal Officer

There is a U.S. Property and Fiscal Officer (USPFO), a federal agent, Title 10, in each of the 54 states, territories and the District of Columbia, responsible and accountable for all federal funds and property issued to their respective state, territory or district. The USPFO is 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.



Photo by SGT Jess Geffre

A Colorado Army National Guard firefighter from the 1157th Engineer Firefighter Company operates his Tactical Firefighting Truck to blast High Park flames with suppressant in Larimer County, CO.



Pilots prepare to land a pair of Alaska Army National Guard UH-60 Black Hawk helicopters at the Alaska Army National Guard Army Aviation Support Facility in Nome after assisting Arctic Care operations in Brevig Mission.

Photo by MAJ Guy Hayes

Alabama

Funding: \$ 346,116,014
End Strength: 11,023
Full-Time Support: 1,730

The Alabama Army National Guard (ALARNG) deployed more than 1,400 Soldiers, including two complete battalions—a signal battalion and an infantry battalion. The ALARNG validated the only National Guard Command and control chemical, biological, radiological, and nuclear response element which went on standby as part of the nation’s tiered response beginning October 1, 2012. ALARNG also strengthened the SPP relationship with Romania by conducting several exercises, including a visit from the Romanian Chief of Defense (approximately equivalent to the U.S. Chairman of the Joint Chiefs of Staff).

Notes:
 1. State funding and End Strength numbers as of September 30, 2012.
 2. Economic Multiplier not included in state funding (see Figure 12).

Alaska

Funding: \$ 127,942,845
End Strength: 1,879
Full-Time Support: 695

In its tradition of excellence, the Alaska Army National Guard (AKARNG) contributed to a number of state and federal missions in 2012. Soldiers of B/1-143rd Infantry Airborne provided security for provincial reconstruction teams in Afghanistan, while Detachment 54 provided surveillance flights along the border. F/1-207th Aviation supported the multinational force and observers in the Sinai, while A/1-207th Aviation prepared to assist our Kuwaiti allies. At home, the AKARNG mobilized 56 Soldiers of the 297th Military Police Battalion to help the town of Cordova remove 18 feet of snow. The AKARNG’s partnership with Mongolia remains one of the premier state partnerships, completing yet another successful Khaan Quest peacekeeping exercise at Five Hills training area on the outskirts of Ulaanbaatar.



Arizona

Funding: \$ 229,457,379
End Strength: 5,206
Full-Time Support: 1,237

The Arizona Army National Guard (AZARNG) deployed 8 percent of its force in support of OCO during FY12. Capabilities included MEDEVAC, attack aviation, well drilling, military police, engineering, contracting and Security Force Advice and Assist Teams. Other missions included participation in the largest civil-military support exercise ever held in Arizona (Vigilant Guard), SPP exchanges with the nation of Kazakhstan, aviation and ground support to U.S. Customs and Border Protection and wildfire support to the state. Operational relevance is contingent on support for resilience, personnel and training readiness programs. Funding for programs that provide community-based resources to Soldiers and their Families throughout the deployment cycle ensures our ability to focus on comprehensive retention and readiness processes. Land management requirements by state and federal agencies limit sufficient available training areas within a reasonable commuting distance.



California

Funding: \$ 732,867,333
End Strength: 16,450
Full-Time Support: 2,351

The California Army National Guard (CAARNG) deployed more than 1,560 abroad, including troops from the 250th Military Intelligence Battalion, 1-126th Aviation Regiment, 297th Medical Company, 578th Engineer Battalion, 49th Military Police Brigade and both the 1072nd and 756th Transportation Companies. These troops served in an array of capacities, from advisory missions with local police in Afghanistan to working alongside Iraqi military medical elements. CAARNG's HRF was certified to cover the Federal Emergency Management Agency Region IX; which integrates multiple response teams under its command for a coordinated, robust response to any emergency. The CAARNG Counterdrug Program assisted in the seizure of cocaine with a street value of almost \$1.7M, the eradication of marijuana worth over \$5.3B and the seizure of methamphetamine worth \$15.5M. The program also used role models to work with community antidrug coalitions to affect local drug education.



Arkansas

Funding: \$ 258,101,674
End Strength: 7,463
Full-Time Support: 1,263

December 2011 witnessed the return of our final troops from Iraq, with the Arkansas Army National Guard's (ARARNG) 77th TAB returning. Although operations in Iraq came to an end, the ARARNG continued to play a major role in OEF. Soldiers of the 39th Infantry BCT prepared for their third combat deployment prior to cancellation of that mobilization in February. While this 3,000-man mobilization was canceled, the state continued to provide forces to Afghanistan with deployment of approximately 600 Soldiers from the 1964th CCT, the 1039th Engineer Company and the 39th Brigade Special Troops Battalion. The ARARNG's 77th TAB also supported the Arkansas Forestry Commission in fighting multiple wildfires. As the state faced heavy droughts, the unit provided two UH-60 Blackhawk helicopters and crew who responded to more than 70 missions and dropped more than 50,000 gallons of water over fires across five Arkansas counties.



Photo by SGT Darron Salzer

SGT Matthew Howard, left, of the Arkansas Army National Guard, and SGT Mark Fuggiti, of the Pennsylvania Army National Guard, open their maps in an effort to strategize their course of action on the day land navigation course during the 2012 Department of the Army Best Warrior Competition at Fort Lee, VA. SGT Howard went on to finish the course first among the 24 competitors.

Colorado



Funding: \$ 209,299,818
End Strength: 4,023
Full-Time Support: 817

The Colorado Army National Guard (COARNG) has more than 4,000 Citizen-Soldiers serving our federal and state missions supporting the motto, Always Ready, Always There. Colorado deployed hundreds of Citizen-Soldiers to OCO, including teaming with Slovene soldiers as part of an operational mentorship and liaison team, which trained the Afghan National Army. The High-altitude ARNG Aviation Training Sites (HAATS) helicopter aircrews assisted civil authorities during Search and Rescue in Colorado's high country, providing life-saving combat skills to American pilots serving in mountainous regions of Afghanistan. During IRT, Soldiers delivered medical supplies to 95,000 people during the Colorado 9Health Fair. In the summer, the COARNG responded to several wildfires deploying 300 Soldiers to protect and preserve our community. The COARNG is currently in the midst of an unprecedented construction period, building a new HAATS training facility, a regional training institute and the new Windsor Readiness Center.

Connecticut



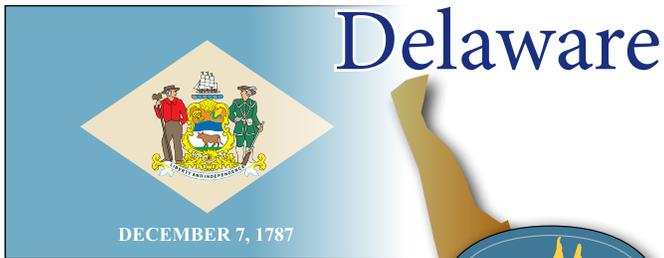
Funding: \$ 273,417,743
End Strength: 3,593
Full-Time Support: 771

The Connecticut Army National Guard (CTARNG) possesses the capacity to conduct full-spectrum military operations in support of federal, state and local authorities. The CTARNG is balanced to ensure the ability to conduct operations in all of the ARNG's core competencies. In FY12, more than 600 Soldiers, comprised of 6 ARNG units, deployed worldwide to protect America's national interests. Domestically, 1,100 Soldiers performed SAD in response to emergencies and natural disasters. The full-time force of more than 900 Soldiers and civilians proved integral to the CTARNG's ability to respond quickly and efficiently to the ARNG's strategic initiatives. CTARNG has ready and resilient Soldiers that train and deploy with Army units as a cost-effective operational force. As part of a facility modernization program, the CTARNG is in various stages of executing MCNG funding to complete three major projects statewide.



Soldiers from the 153rd Military Police Company train with hand grenades during their annual training period. The unit will deploy to Afghanistan in January 2013.

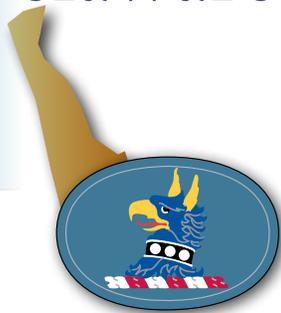
Photo by LTC Len Grattrei



Delaware

Funding: \$ 75,484,299
End Strength: 1,587
Full-Time Support: 390

The Delaware Army National Guard (DEARNG) provides trained and ready Soldiers in support of federal and state missions. The federal funding received in FY12 provided the ability to train and deploy in support of OCO. However, DEARNG remains underfunded and undermanned in FTS to achieve the highest levels of readiness. Our aggregate equipping posture is 78 percent of authorized versus on-hand and our horizontal and vertical engineering equipment is currently at 61 percent. With respect to maintenance of equipment, units were able to maintain a readiness posture of 93 percent higher than previous years. This was accomplished through a systematic process that aligns with the ARNG strategic imperatives to provide ready forces, optimize resources and maintain collaborative relationships. We are preparing for a record number of deployments in 2013 that include the Military Police, Signal and Engineers.



Florida

Funding: \$ 303,083,074
End Strength: 9,937
Full-Time Support: 1,493

The Florida Army National Guard (FLARNG) is an operational force that demonstrated its capability in FY12 through numerous overseas deployments and domestic operations in Florida and other states. FLARNG Soldiers are particularly experienced with management during natural disasters, and they have honed skills that enable rapid, flexible and thorough response during crises. In August 2012, the FLARNG provided support to law enforcement officials during the Republican National Convention, employing two simultaneous dual-status commanders to oversee the military security forces and to respond to an impending hurricane. Camp Blanding's joint training center offers extensive training opportunities for multiple agencies and states and is well-postured to become the CBRNE center of excellence. FLARNG continues to focus on Families and building resiliency in our force. Through several partnerships and with dedicated support from our state, FLARNG unemployment was reduced from 15 percent in September 2011 to over 6 percent at the end of FY12.



District of Columbia

Funding: \$ 67,509,512
End Strength: 1,360
Full-Time Support: 314

The District of Columbia Army National Guard (DCARNG) reaction force trained responders and provided on-call assistance to local authorities during the violent Derecho storms, which left millions without power along the East Coast. The DCARNG participated in several National Capital Region interagency exercises, including Capital Shield, to improve cooperation with District and federal agencies. The Capital Guardian Youth Challenge program, previously held in conjunction with Maryland's program, was approved to begin building a stand-alone program. DCARNG hosted numerous exchanges with Jamaica as part of the SPP. Detachment 4, Operational Support Airlift Command, and the 273rd Military Police Company completed yearlong deployments to Afghanistan.



Georgia

Funding: \$ 370,881,103
End Strength: 11,100
Full-Time Support: 1,504

The Georgia Army National Guard (GAARNG) is committed to strategic priorities defending the homeland, supporting operational missions, and modernizing, transforming and maintaining our operational force into expeditionary units. GAARNG led the nation in ARNG medical readiness and recruiting; we continued the operational mission requirements of the 116th Air Control Wing and the strategic airlift by the 165th Airlift Wing; and we validated the 78th Troop Command. GAARNG also provided critical language and cultural awareness training for deploying Soldiers and civilians, and we deployed more than 15,000 Airmen and Soldiers in support of a variety of OCONUS missions. Our SPP with the country of Georgia strengthens ARNG's commitment for bilateral cooperation to promote democratic principles by assisting with the development, training and deployment of Georgian Forces to Afghanistan where they are the largest non-NATO force contributor.



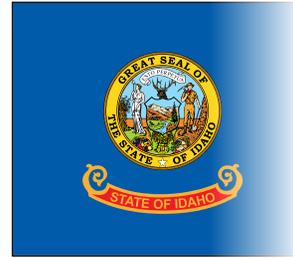


Guam



Funding: \$ 54,387,445
End Strength: 1,244
Full-Time Support: 238

The Guam Army National Guard (GUARNG) supported the nation's OCO, the territory's civil authorities, and added value to the local community through various programs and initiatives. In July 2012, the GUARNG mobilized 13 of its members for a deployment to Afghanistan. It also prepared the 1st Battalion of the 294th Infantry and its associated forward support company for mobilization in February 2013. This is the biggest mobilization for the youngest ARNG unit in the United States; the preparation of these two units for mobilization is the command's priority. On the home front, the GUARNG continued to support local authorities through participation in various initiatives, such as the Lieutenant Governor's islandwide Beautification Task Force and through GUARNG's Counterdrug Program.

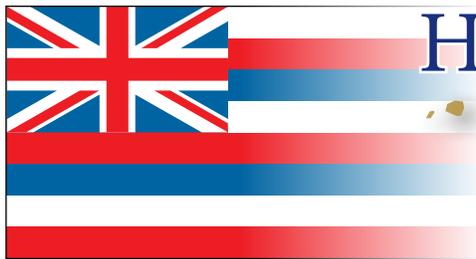


Idaho



Funding: \$ 143,187,137
End Strength: 3,456
Full-Time Support: 837

The Idaho Army National Guard (IDARNG) continued its tradition of excellence in FY12 at home and abroad. From the demobilization of the 116th Cavalry BCT in support of OND to providing aviation support with the mobilization of A-168th Aviation providing UH-60 Black Hawk support in Afghanistan. The IDARNG continued to support integral Family programs, including YRRP. IDARNG Soldiers also supported the exercise Angkor Sentinel 12 with Cambodia. Several hundred Soldiers battled major wildfires throughout the state. The 204th Regional Training Institute was accredited as a training center of excellence, and construction in support of the Orchard CTC, which will contribute to the sustainment of excellence well into the future.



Hawaii

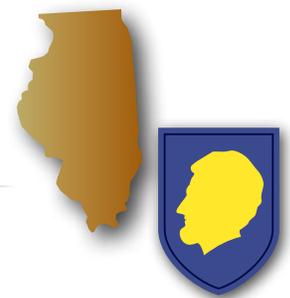


Funding: \$ 175,647,825
End Strength: 3,039
Full-Time Support: 592

The Hawaii Army National Guard (HIARNG) continued its exemplary service to the state and nation during FY12. In November, Honolulu hosted the Asia Pacific Economic Cooperation (APEC) summit. The APEC summit brought President Obama and leaders of 22 of the largest economies in the Asia-Pacific region to Honolulu. More than 1,200 HIARNG Soldiers provided security around summit venues and travel routes as well as provided logistical, communications and additional support to civil authorities. HIARNG deployed more than 300 Soldiers to support contingency operations in Kuwait, Afghanistan, Kosovo and the Philippines. HIARNG units also participated in three exercises supporting the Theater Security Cooperation Plans of U.S. Pacific Command and U.S. Africa Command, as well as numerous engagements in support of their SPP countries of Indonesia and the Philippines. On the aviation front, the HIARNG fielded two new airframes: the UH 72A Lakota and CH 47F Chinook.



Illinois



Funding: \$ 283,141,092
End Strength: 10,050
Full-Time Support: 1,407

The Illinois Army National Guard (ILARNG) continued a strong SPP with Poland by conducting joint training and deploying Soldiers to Afghanistan as part of the Bilateral Embedded Staff Team. Additionally, nearly 500 Soldiers supported the NATO summit in Chicago in May, and more than 3,000 Soldiers from the 33rd IBCT participated in the XCTC at Camp Ripley, Minnesota in preparation for contingency operations. Finally, the ILARNG continued to emphasize programs that support and maintain strong and resilient Soldiers and Families.



Indiana

Funding: \$ 434,700,881

End Strength: 12,168

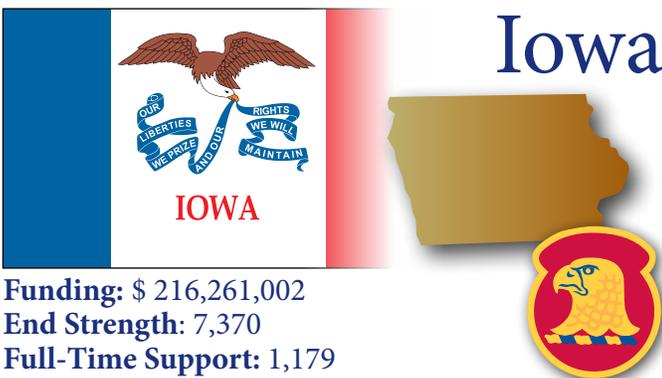
Full-Time Support: 1,599

The Indiana Army National Guard (INARNG)—the Hoosier state’s community-based, military, first-response organization—once again supported OCO, natural disasters and community relations events. More than 1,000 Soldiers and Airmen deployed around the globe. The 713th Engineer Company cleared routes in Afghanistan. Their mission proved to be a dangerous one as they lost six Soldiers when terrorists attacked the 713th convoy with roadside bombs and rocket propelled grenades. Two military police companies, the 381st and 387th, formed Task Force Guardian and deployed to Afghanistan in support of OEF. As a result, one Soldier was killed in action due to a rocket-propelled grenade. Airmen and Soldiers of Indiana’s disaster emergency response force package trained with Israeli troops learning search and extraction techniques in Jerusalem. In March, more than 250 Soldiers helped with tornado-relief efforts. May was busy with Hoosier troops supporting static displays, speaking engagements and events related to Memorial Day, including the Indianapolis 500.



Indiana National Guard SPC Ryan O’Donnell infantryman in Company D, 1-151 Infantry carries water to be distributed to the citizens of Henryville, IN, after a large tornado devastated the town the day before. The Indiana National Guard activated more than 250 Soldiers to aid the citizens of Henryville after a large tornado devastated the town the day before.

Photo by SGT John Crosby



Iowa

Funding: \$ 216,261,002

End Strength: 7,370

Full-Time Support: 1,179

The Iowa Army National Guard (IAARNG) continued to demonstrate its commitment to excellence in federal, state and community missions, while laying the foundation for the future success of the organization. With the return of 2,800 Soldiers of the 2nd BCT, 34th Infantry Division from Afghanistan in July 2011, the IAARNG focused on resetting the force in FY12 and preparing for the train-ready phase of the ARFORGEN model. Since September 11, 2001, more than 14,000 Soldiers have mobilized and deployed in support of the Global War on Terrorism and OCO missions. With the completion of \$7.3M in new construction and facility maintenance projects in FY12, every IAARNG readiness center has been remodeled, refurbished or rebuilt within the last 12 years, with the exception of facilities less than 20 years old.



Kansas

Funding: \$ 195,372,588
End Strength: 5,096
Full-Time Support: 942

Soldiers of the Kansas Army National Guard (KSARNG) served in Afghanistan, Kuwait and the Horn of Africa. Units deploying or returning included ADTs 3 and 4 (Afghanistan), 1st Battalion, 108th Aviation Regiment, 102nd Military History Detachment, and 1st Battalion, 161st Field Artillery. In June, KSARNG helped Colorado battle wildfires using a UH-60 crew. The 73rd CST supported the Major League Baseball All-Star game, in Missouri, and the Republican National Convention, in Florida. The CST assisted at both events providing local emergency response to keep the public safe. The KSARNG's SPP cooperated with Armenia with an inaugural visit from Major General Lee Tafanelli in fall 2011. Since 2003, the partnership has expanded from military exchanges to law enforcement and education exchanges, allowing Kansas and Armenia to learn from one another.



Louisiana

Funding: \$ 285,106,115
End Strength: 9,457
Full-Time Support: 1,501

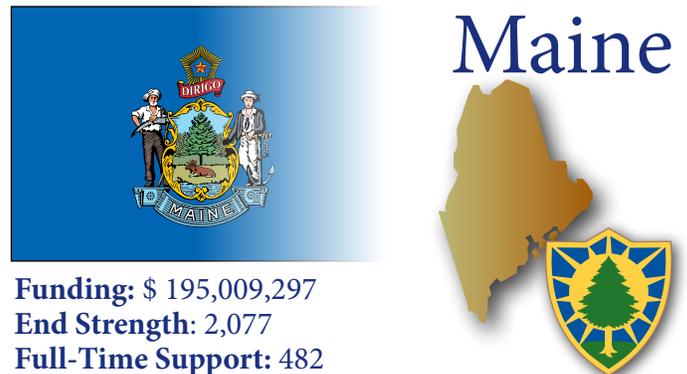
The Louisiana Army National Guard (LAARNG) deployed as an operational force in support of our nation's overseas war, and it provided essential, life-saving capabilities in support of state and local emergency response missions. More than 390 LAARNG Guardsmen deployed overseas in FY12 to conduct convoy security, route clearance, aviation, engineering and logistical missions, while an additional 1,200 Soldiers prepared for deployment during FY13. Melding our state and federal missions, LAARNG Guardsmen are highly experienced and trained to serve as first responders for disasters. During Hurricane Isaac, more than 6,700 Guardsmen rescued or evacuated more than 5,000 citizens, supported more than 49 commodity distribution points, cleared more than 50 miles of road debris, and flew more than 1,400 helicopter sorties. The LAARNG continues to answer our nation's call to duty by maintaining not only mission readiness, but by ensuring the physical and mental preparedness of our Soldiers and their Families.



Kentucky

Funding: \$ 239,755,348
End Strength: 7,281
Full-Time Support: 1,096

The Kentucky Army National Guard (KYARNG) has been at full OPTEMPO both overseas and at home. The 149th MEB and 1,300 Infantry, Military Police and accompanying support personnel took a leadership role in the withdrawal of U.S. forces from Iraq and in overseeing the handoff of coalition bases to Iraqi forces. In Afghanistan, KYARNG's ADTs carried on the tradition of their predecessors, providing much-needed assistance to Afghan farmers to assist the reestablishment of a stable economy to build hope in a war-torn land. On the home front KYARNG Citizen-Soldiers spearheaded a critical relief effort in response to disastrous tornado damage affecting thousands of residents. The community of West Liberty was the worst hit, losing its infrastructure along with hundreds of homes and businesses. KYARNG troops were on site immediately, assisting with rescue and recovery, security and comfort in the face of catastrophic loss.



Maine

Funding: \$ 195,009,297
End Strength: 2,077
Full-Time Support: 482

Members of the Maine Army National Guard (MEARNG) continued to perform their federal missions in Kuwait, Afghanistan and Kosovo as well as executed state missions providing disaster assistance and community support. The MEARNG completed two federal military construction projects totaling over \$70.0M for the military operations urban terrain village simulation site and the 240th regional training institute. The 11th CST conducted more than 12 full-scale exercises with the emergency management agencies, the Federal Bureau of Investigation, first responders and members of the medical community. Maine has attained the top 10-percent readiness metrics for all of ARNG. Governor Paul R. LePage appointed Brigadier General James D. Campbell as Maine's 39th TAG in September after Major General Bill Libby retired in March. Maine expanded its SPP with Montenegro conducting joint exercises both in Montenegro and the United States with a special visit from their Minister of Defense, Milica Pejanović-Đuričić.



Photo by SPC Tarell J. Bilbo

Louisiana National Guardsmen across the metropolitan area take precautionary measures to protect the community and its citizens in preparation of the weather brought by Hurricane Isaac.

Maryland



Funding: \$ 199,481,436
End Strength: 4,792
Full-Time Support: 840



The Maryland Army National Guard (MDARNG) fielded the new UH-72A Lakota helicopter, which is well-suited for state missions, such as counterdrug and natural disaster response. Two UH-72A aircraft and crews supported the U.S. Customs and Border Protection Agency along the Southwest Border for six months. The MDARNG also opened a \$27.0M alteration to its Army National Guard Aviation Support Facility which added 100,000 square feet and renovated the existing facility. The MDARNG reopened the renovated Salisbury Readiness Center in October. The project renovated approximately 26,000 square feet and added an additional 28,000 square feet. In August, the MDARNG broke ground on a 10,000 square-foot facility, which will support the administration, training, mission and flight operations, sustainment and equipment maintenance functions of our TUAS unit at Webster Field in Saint Inigoes.

Massachusetts



Funding: \$ 212,562,302
End Strength: 6,218
Full-Time Support: 956



The Massachusetts Army National Guard (MAARNG) maintains high levels of personnel and equipment readiness in order to protect the commonwealth, defend the homeland and fight and win our nation's wars. Throughout the past year, we deployed nearly 1,000 Soldiers from Infantry, Engineers, Military Police, and Special Forces units as well as the 26th MEB, and we have more than 500 Soldiers preparing for overseas deployment. Upon returning from its deployment, the 26th MEB validated as the Region I HRF, enabling the unit to respond rapidly and mitigate the effects of a Chemical, Biological, Radiological, Nuclear, or High-Yield Explosives event. MAARNG operates the largest training site at Camp Edwards, which includes a 14,000-acre maneuver training area, 300-meter pop-up target qualification ranges, live-fire ranges, combat vehicle egress training simulators, airspace for remotely piloted aircraft operations and a structural collapse venue site.



Michigan

Funding: \$ 249,103,236
End Strength: 8,788
Full-Time Support: 1,300

The Michigan Army National Guard (MIARNG) Joint IED Defeat organization and Virtual Battlespace Simulation gaming center provided commanders an opportunity to conduct theater immersion training by leveraging technology. An additional 2,485 Soldiers utilized the simulation center in preparation for future operations in Kuwait and Afghanistan. The MIARNG also facilitated three DSCA exercises in collaboration with our intra-agency partners in state operations, increasing the readiness capabilities of our partnership if ever needed to respond in an emergency. The MIARNG responded to Michigan's Upper Peninsula providing fire suppression support to the Duck Lake wild fires. The Guard partnered with the NGB, AFRICOM and Liberia to establish a second SPP working towards building partner capacity as part of the national strategy.



Mississippi

Funding: \$ 523,840,887
End Strength: 9,678
Full-Time Support: 1,923

The Mississippi Army National Guard (MSARNG) supported cities and counties throughout much of the southern half of state after Hurricane Isaac, providing valuable support to our local governments within the state. The MSARNG deployed 800 Soldiers during FY12 in support of the Global War on Terror. Units included Company F-171st Aviation, SOD South, C/2-20th SFG, 289th Engineering Vertical Company, 31st Rear Operations Center and the 857th Engineering Horizontal Company. During FY12, Major General Augustus L. Collins was appointed the new Adjutant General for Mississippi.



Minnesota

Funding: \$ 280,976,867
End Strength: 10,974
Full-Time Support: 1,455

The Minnesota Army National Guard (MNARNG) ushered in 2012 with the highest number of Citizen-Soldiers deployed overseas at one time since September 11, 2001, and we concluded the year with the fewest deployed personnel in recent history. This organizational shift foreshadows major changes for us and for the military community as a whole. As we approach this new reality, the MNARNG is focused on not losing the operational experience, knowledge and ability that we have amassed over the past 12 years. Even in the face of budget pressures and changing warfighting demands, Soldier readiness remains at the forefront. In FY12 MNARNG distinguished itself by focusing on employment for returning Service members, ultimately reducing the 19 percent projected unemployment rate of a deployed brigade to well below the 5-percent state average. Financial stewardship and audit-readiness are maintained through a focus on management controls across our force.



Missouri

Funding: \$ 399,701,866
End Strength: 9,050
Full-Time Support: 1,556

The Missouri Army National Guard (MOARNG) expanded efforts to obtain comprehensive unit level personnel readiness and is now 15th in the nation and is still rising. MOARNG continued its high OPTEMPO with multiple overseas deployments to Afghanistan, Kuwait, Sinai and Qatar. Our ADT completed its mission in 2012; the state spearheaded the program in 2008 and ultimately provided six unit rotations. Soldiers in the 35th Engineer Brigade led Beyond the Horizons exercises in Guatemala and Honduras; Soldiers in the 110th MEB supported U.S. Africa Command in Tanzania; Airmen and Soldiers executed 10 SPP exchanges with Panama. MOARNG played a key role in rebuilding Joplin; Guardsmen still support the disaster recovery jobs program, and we lead the state's Show Me Heroes Program, matching veterans with employers. The MOARNG supports Soldier welfare initiatives, such as the YRRP, Strong Bonds and tuition assistance. In March, the 70th Troop Command was certified as Region VII's HRF.

MONTANA Montana



Funding: \$ 113,147,043
End Strength: 2,787
Full-Time Support: 578

FY12 was another dynamic year for the Montana Army National Guard (MTARNG). We deployed and redeployed more than 400 Soldiers for federal missions in support of OND and OEF, as well as the activation of 75 Soldiers to assist with wildfires at three different locations across Montana. MTARNG began with 2,800 Soldiers and ended the fiscal year with 2,797. Fielding the M1A2 System Enhancement Package and M2A3 Bradley fighting vehicle to the 1-163rd CAB headquartered in Belgrade was a highlight for MTARNG. Of equal significance was the stationing and activation of the 1889th Regional Support Group for the MTARNG, headquartered in Butte. This additional command and control element within the state will ensure continued organizational success given past OPTEMPO supporting state and federal missions.



Photo by SGT Richard Frost

Soldiers from Charlie Company, 3-172 Infantry (Mountain), fire a mortar while training. The unit was training with the Canadian Army's Princess Louise Fusiliers Regiment during military mountaineering training in Fort Harrison in Helena, MT.

Nebraska



Funding: \$ 165,009,706
End Strength: 3,758
Full-Time Support: 757

In May 2012, the remaining members of the Nebraska Army National Guard's (NEARNG's) second joint Afghan ADT returned from a year-long deployment to Afghanistan where it assisted Afghan agricultural officials and local farmers with redeveloping indigenous agricultural capabilities. Additionally, the NEARNG was called for the first of multiple wildfires that erupted in western and central Nebraska during the drought. The support included the use of aerial and ground firefighting assets that assisted local and federal firefighters in battling the blazes. The NEARNG also completed its \$28.0M, 140,000-square foot JFHQ in Lincoln, bringing members of the of the Nebraska Army, ANG, Nebraska Emergency Management Agency, and a dispatch center for the Nebraska State Patrol under the same roof for the first time.

Nevada



Funding: \$ 137,476,804
End Strength: 3,203
Full-Time Support: 552

The Nevada Army National Guard (NVARNG) consisted of a few dozen Soldiers attached to local militia units in Gold Hill, Silver City and Virginia City in 1861. Today, the NVARNG consists of more than 3,200 Soldiers working in 14 primary armories and facilities in 12 communities. The service is not limited to within state boundaries; more than 3,000 Soldiers have deployed around the world since 2001 in support of OIF, OEF, OND and Unified Response. The highlights of 2012 for NVARNG saw the deployments of the B Company 1/189th General support aviation battalion (MEDEVAC) and the redeployment of the 422nd Expeditionary Signal Battalion and the 485th Military Police Company. No NVARNG fatalities occurred during the deployments in Afghanistan. NVARNG hosted the 2012 NGAUS Conference in Reno, and at the close of 2012, we had 3,203 Soldiers in our ranks.



New Hampshire



Funding: \$ 73,745,193
End Strength: 1,772
Full-Time Support: 390

The New Hampshire Army National Guard's (NHARNG's) number-one strategic imperative is to regain lost force structure that has jeopardized its ability to complete missions. From FY07 through FY12, without the inactivation or transfer of a single unit, the NHARNG lost 26 percent (from 2,275 to 1,689) of its force structure due to various Army transformations. Despite the reduced force structure, the NHARNG in FY12 supported assigned missions, including redeployment of 800 Soldiers from Kuwait, Iraq and Afghanistan; two SAD missions; a humanitarian exercise in Guatemala; training exercises with Canada's Princess Louise Fusiliers Regiment; and continued exchanges with El Salvador under the auspices of the SPP. In FY14, the NHARNG is projected to lose at least 5 percent in force structure.



New Jersey



Funding: \$ 232,829,348
End Strength: 6,101
Full-Time Support: 987

The New Jersey Army National Guard (NJARNG) supported domestic and OCONUS operations in FY12, while achieving recruiting and retention goals to remain at 100 percent strength. Elements of the NJARNG integrated into the Federal Emergency Management Agency Region II HRF during the fiscal year, bolstering the response to a chemical, nuclear or biological threats in the region. Elements of the 50th IBCT participated in a joint exercise to enhance military capabilities and interoperability between U.S. military forces and the Botswana defense forces. At the same time, Soldiers and units from New Jersey deployed overseas, providing service and support. A second military advisory team, comprised of Albanian and NJARNG Soldiers, deployed to Afghanistan to coach, teach and mentor members of the Afghan National Army. The New Jersey Youth ChalleNGe Academy continued to provide outstanding training, education and leadership for at-risk youths. The NJARNG remained a viable force.



Photo by ILT Ryan DeCamp

SSG David Pereda, Provincial Reconstruction Team Paktika Security Forces squad leader and a New Jersey National Guardsman, listens to radio communications.



Photo by MSG William Gandino

New York Army National Guard SGT Leopoldo DeSilva (left) pulls security duty in Pennsylvania Station with an Amtrack Police Officer. The Soldiers are members of the New York National Guard's Joint Task Force Empire Shield which provides security augmentation to law enforcement agencies at transportation hubs in the New York Metro Area. The team was part of a multi-agency super surge in which police saturate key transportation nodes to deter attacks.



New Mexico

Funding: \$ 105,185,152
End Strength: 3,019
Full-Time Support: 603

The New Mexico Army National Guard (NMARNG) is a ready citizen warrior force. In 2012, we redeployed more than 400 Soldiers from the 111th MEB and other supporting units from the KFOR 14 peacekeeping mission. The state also redeployed C/1-171st Aviation MEDEVAC after a very busy tour of duty in Afghanistan. We deployed more than 460 Soldiers from 1-200 Infantry and 615th Transportation Battalion in support of the Multinational Forces and Observer mission in Sinai, Egypt. On the home front, the NMARNG was called upon in support of devastating fires; during these responses, Soldiers provided law enforcement, MEDEVAC and flood-mitigation assistance. In addition to providing Level II firefighting capability, C/1-171 Aviation MEDEVAC unit was called on 16 occasions to provide SAR with hoist capability. Finally, the 64th CST was called upon by the Department of Public Safety to assist with hazardous assessments.



New York

Funding: \$ 314,759,612
End Strength: 10,648
Full-Time Support: 1,516

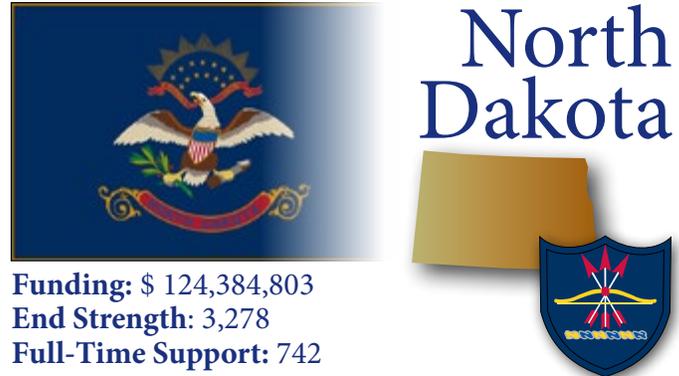
The New York Army National Guard (NYARNG) deployed more than 2,200 Soldiers to Kuwait and Afghanistan, including 1,750 Soldiers assigned to the 27th IBCT and 450 members of the 101st Expeditionary Signal Battalion as well as B Company 2-126th Aviation and Company F 169th General Support Aviation Battalion. The NYARNG Family Readiness team conducted both pre- and during-departure events to support Families and prepared for members of the 2nd Battalion 108th Infantry to return. At home, the NYARNG supported the Federal Emergency Management Agency Region II HR, which was validated in May and accepted two UH-72 helicopters into the inventory to support domestic missions and counterdrug operations. NYARNG Engineers supported local community projects in the Hudson Valley—restoring a historic fire tower—and in the Mohawk Valley—clearing a section of the old Erie Canal to become a park. The NYARNG recruited to 100 percent strength during the fiscal year.



North Carolina

Funding: \$ 299,946,288
End Strength: 10,278
Full-Time Support: 1,644

The North Carolina Army National Guard (NCARNG) mobilized and deployed more than 1,700 Soldiers and Airmen in 2012 to Iraq and Afghanistan with an additional 1,200 sourced to support missions in Kuwait, Afghanistan, Egypt and the Horn of Africa. In domestic operations, the NCARNG supported Charlotte for the 2012 Democratic National Convention with more than 2,400 Soldiers and Airmen. In preparation for the convention, the NCARNG Citizen-Soldiers led a national-level exercise, involving Federal Emergency Management Agency Region IV personnel from four states and dozens of local, state and federal agencies. Additionally, the NCARNG Modular Airborne Firefighting System supported firefighting missions in Colorado and South Dakota while North Carolina helicopter and aquatic rescue teams performed three limited visibility cliff-side rescues. Finally, the NCARNG Integrated Behavioral Health program fielded more than 1,500 calls from NCARNG, RC, and active duty personnel and Family members.



North Dakota

Funding: \$ 124,384,803
End Strength: 3,278
Full-Time Support: 742

The North Dakota Army National Guard (NDARNG) contributed forces in support of federal missions with nearly 3,900 Soldiers mobilized since September 11, 2001. The 1st Battalion, 112th Aviation Regiment returned from peacekeeping duties in Kosovo while 188th Engineer Company returned from service in Kuwait. The 818th Engineer Company (Sapper) deployed to Afghanistan, while the 188th Army Band celebrated its 125th anniversary with statewide concert performances. NDARNG stationed a Black Hawk helicopter in Fargo, which expanded the aviation footprint in the state. We also added three UH-72A Lakota helicopters to the fleet with an additional aircraft scheduled to be added in FY13. A 41,178-square-foot addition to the Camp Gilbert C. Grafton Readiness Center was dedicated. The last remaining Vietnam veteran, Master Sergeant Alan Peterson, retired. Retention rate was over 86 percent as the force added 346 enlisted and 14 officers, ending the year with 3,278 Soldiers assigned.



Members of the North Dakota Army National Guard's 817th Engineer Company arrive in Zodiac boats on Pipestem Lake near Jamestown, ND. After crossing the lake the Soldiers have more tasks to complete as part of the unit's Sapper Stakes Competition.

Photo by SGT Brett Miller



Ohio

Funding: \$ 274,369,579
End Strength: 11,441
Full-Time Support: 1,509

The Ohio Army National Guard (OHARNG) achieved many significant accomplishments. The organization met recruiting goals, maintaining 100 percent authorized strength, while completing its federal, state and local missions. More than 3,000 of our Soldiers returned from deployments in support of our nation, all of whom upheld a tradition of unwavering service. Our members responded to three natural disasters, assisting the citizens of Ohio and civil authorities in cleanup and recovery operations. This year also marked the completion of four state-of-the-art facilities, strengthening bonds with our communities. In FY13, the OHARNG will continue to position itself strategically, to respond with ready units when called.



Oklahoma

Funding: \$ 211,506,529
End Strength: 7,214
Full-Time Support: 1,098

In November 2011, the Oklahoma Army National Guard (OKARNG) hosted Operation Sooner Response. ARNG CSTs from six states converged on northeastern Oklahoma to respond to a 7.5-magnitude earthquake. The exercise involved state agencies, researchers and private contractors. In addition, the 45th IBCT returned from Afghanistan and Kuwait in March. The brigade conducted full-spectrum operations in Afghanistan and provided an operational reserve based in Kuwait. During spring 2012, the OKARNG established an employment coordination office to help find work for unemployed or underemployed Soldiers. Dozens of Soldiers used the program, which brought together eager employers with qualified Soldier applicants. In May, construction was completed on a 10,000-square-foot chapel at Camp Gruber. This construction was funded solely by contributions from private citizens because Soldiers training at the base had been without a place to worship for more than three decades.



Photo by SSG Chad Menegay

SGT Alicia Cross, a food operations noncommissioned officer with the 212th Maintenance Company, spreads cheese on chicken breasts during the 45th annual Phillip A. Connelly Awards competition at the Camp Ravenna Joint Military Training Center in Newton Falls, OH. The Connelly Awards is an Army food service competition designed to improve professionalism and provide recognition to food service personnel within the Department of the Army.



Oregon

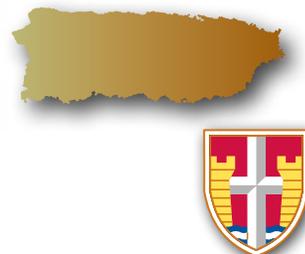


Funding: \$ 222,241,949
End Strength: 6,511
Full-Time Support: 973

The Oregon Army National Guard (ORARNG) supported both state and federal operations. The 1186th Military Police Company, 115th Mobile Public Affairs Detachment, and elements of C Company 7/158 Aviation mobilized, while the 1249nd Engineers were welcomed home. Elements of the ORARNG Combat Operations Group, 173rd Fighter Wing and the 142nd Fighter Wing teams deployed in support of OEF and other federal missions. Domestically, the ORARNG's CERFP was certified for operations in FY12. The ORARNG continued to respond to requests from local authorities for SARs, unexploded ordnance support, firefighting and other domestic operations. The ORARNG is truly the best value for both state and nation. Recognized as a leader in equipment management and maintenance, the ORARNG received new HH-60M Black Hawks, UH-72 Lakotas, Bradley fighting vehicles and Abrams tanks. This new equipment will keep Oregon Always Ready, Always There!



Puerto Rico



Funding: \$ 250,849,709
End Strength: 7,280
Full-Time Support: 1,004

The Puerto Rico Army National Guard (PRARNG) showed its commitment toward OCO by deploying hundreds of Citizen-Soldiers to Afghanistan, Kuwait, Cuba and Honduras. Additionally, hundreds of Guard personnel participated in various state mobilizations to assist communities after the passing of tropical storms as well as to support the Department of Education's preparation of public schools for the new school year. The 22nd weapons of mass destruction CST supported state and federal agencies, while a new, 200-member CERFP, was validated. PRARNG Youth Programs evolved as STARBASE provides the latest technology for students. The most recent PRARNG Youth Challenge Academy class graduated 211 cadets, making it the biggest class in its history. The Guard and the State Department of Prisons merged efforts and created a reeducation program that takes youth from state prisons and immerses them in a 22-week study program where they earn a high school diploma.

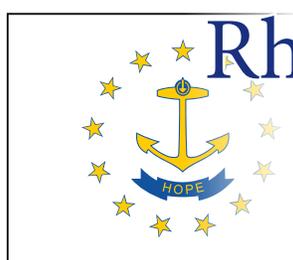


Pennsylvania



Funding: \$ 501,780,617
End Strength: 15,460
Full-Time Support: 2,454

The Pennsylvania Army National Guard (PAARNG) continues to provide trained and ready forces to meet the needs of the commonwealth and the nation. Our number-one focus continues to be personnel readiness, ensuring that we can maintain an operational force. PAARNG's OPTEMPO remains high, deploying 480 Soldiers in support of OCO, and we received notification for 2,000 soldiers for FY13 and 3,600 in FY14. The state also participated in numerous SPP missions with Lithuania and other Baltic nations. We supported numerous SAD missions in FY12, mobilizing 2,400 soldiers in support of the governor's call for hurricane relief operations. The state realized a loss of 44 FTS positions, which has impacted day-to-day operations. Equipping remains strong as units have been issued up-to-date equipment. Funding for FY12 was adequate for PAARNG to accomplish its state and federal missions.



Rhode Island



Funding: \$ 84,448,114
End Strength: 2,104
Full-Time Support: 468

FY12 was a busy year for the Rhode Island Army National Guard (RIARNG) with deployments, redeployments and a sizable regional training exercise hosted in state. In March, the 43rd Military Police Brigade redeployed from Afghanistan after running the detention facility at Parwan, Afghanistan. In July, Vigilant Guard exercise kicked off, simulating the effects of a Category 3 hurricane. Cohosted by the RIARNG and the Rhode Island Emergency Management Agency, the program tested the ARNG as the first military responder in support of the governor and its Emergency Management Agency. The 30th Anniversary of Leapfest—the largest, longest standing static-line parachute training event—took place at the beginning of August. RIARNG hosted Airborne Soldiers from across the United States and from nine countries. Later in August, the RIARNG's 169th Military Police Company deployed to Afghanistan to conduct security force operations.



Photo by SSG Jorge Intriago

SSG Rachel Dolly, 218th Regiment (Leadership), fires her M-4 during weapons qualification at Fort Jackson, SC, during the South Carolina National Guard Soldier of the Year competition.

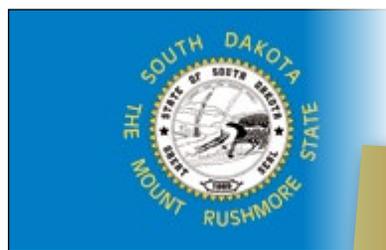


South Carolina



Funding: \$ 295,338,102
End Strength: 9,459
Full-Time Support: 1,565

More than 1,700 South Carolina Army National Guard (SCARNG) members were either deployed or mobilized for federal missions overseas and across the country, respectively. The SCARNG deployed 13,500 Soldiers and Airmen in support of OCO since September 11, 2001. In FY12, the SCARNG's counterdrug force seized over \$46.0M and enabled 2,420 arrests. We also trained more than 20,000 students on drug reduction. SCARNG formed the J1.1 Service Member and Family Care Directorate to combine Soldier, Airman and Family care programs in one area. Services include psychological health, employee support of the Guard and Reserve, employment services, Family assistance and military funeral honors, Military One Source, survivor outreach, transition assistance and various youth programs. The McCrady Training Center was one of the top 10 and most-active training centers in the ARNG.



South Dakota



Funding: \$ 109,910,559
End Strength: 3,266
Full-Time Support: 608

The South Dakota Army National Guard (SDARNG) completed its 150th year of providing ready units and Soldiers. Seven units and more than 500 Soldiers supported federal missions in Afghanistan, Iraq and Kuwait. The SDARNG supported Southern Command campaign plans by building partner capacity with the military of Suriname through 12 engagements. The Golden Coyote exercise provided relevant OCO and homeland defense training for more than 2,000 Service members, from 37 units, 17 states and 6 nations. The 196th Regiment's consolidated Officer Candidate School program trained 429 students to become the next generation of leaders. Construction of the Watertown Readiness Center, a \$25.0M project, will consolidate three centers, increasing operational efficiency. Domestic operations, 360 Citizen-Soldiers assisted civil authorities with UH-60 Black Hawk helicopters and ground support crews to extinguish 17 wildfires during the 2012 drought. The SDARNG will continue as good financial stewards to be the most professional, competent and reliable force.



Tennessee

Funding: \$ 280,571,875
End Strength: 10,623
Full-Time Support: 1,659



The Tennessee Army National Guard (TNARNG) continues to be at the forefront of American forces deployed overseas with more than 700 Soldiers involved in OEF. In April, UH-60 Black Hawk helicopters assigned to Troop D, 1/230th Air Cavalry Squadron assisted in firefighting efforts to contain a wild-fire in Sevier and Cocke Counties. Tennessee instituted the Guard Your Buddy Program to give their men, women and Families anytime-anywhere access to critical life resources, on-demand counseling and on-call suicide prevention. The TNARNG worked closely with the employer support services of the ARNG Reserves to hold employment assistance workshops and hiring fairs to assist unemployed or underemployed Guard members improve their employment situation.



Texas

Funding: \$ 563,303,748
End Strength: 19,605
Full-Time Support: 2,544



The Texas Army National Guard (TXARNG) was involved in deployments to the Middle East and the Horn of Africa. Overall OPTEMPO has decreased, as well as the number of overseas deployments (an average of 5,000 per year to 1,000 per year). The organization participated in the state-federal Oral Rabies Vaccination Program in the Rio Grande Valley, as well as in ongoing support to the U.S. Customs and Border Protection Agency along the state's Southern Border. Joint Task Force 71, the state's HRF, works with state and federal partners within the Federal Emergency Management Agency's Region VI. During FY12, the TXARNG's 36th Infantry Division, headquartered in Austin, was selected to command the ARNG's Domestic All-Hazards Response Mission—West for the next two years; this will require synchronization of responses to major hurricanes, earthquakes and wildfires, should such a catastrophic event occur west of the Mississippi River.



U.S. Army Soldiers, 454th Engineering Company, 111th Engineer Battalion, 176th Engineer Brigade, Texas National Guard, replicating Afghan National Army (ANA), and Lithuanian Army Master Sergeant Tomas Ciauska, Infantry Battalion, assume the position of a quick reaction force during a military advisory team training exercise at the Joint Multinational Readiness Center in Hohenfels, Germany. This exercise is designed to replicate the Afghanistan operational environment in order to prepare MATs and police advisory teams for counterinsurgency operations with the ability to train, advise and enable the ANA and the Afghanistan National Police.

Photo by SPC Tristan Bolden



Photo by SGT Juanita Phillip-Mathurin

A quick reaction force (QRF) team made up of members from units of the 104th Troop Command Battalion of the Virgin Islands National Guard, form a squad line formation against an uncontrolled mob during riot control training at Camp McCain, MS. A QRF is any force poised to respond typically within an hour to civil disturbances, riot control and The Virgin Islands National Guard traveled to Camp McCain for a week-long consolidated training event to include individual weapons qualifications.

Vermont

Funding: \$ 112,899,683
End Strength: 2,797
Full-Time Support: 568

In FY12 the Vermont Army National Guard (VTARNG) focused its resources on strength, Soldier readiness and generating ready units. Strength increased by almost 2 percent, meeting the increased goal established by National Guard Bureau. As a result of prioritizing resources to improve readiness, the VTARNG improved its medical readiness by nearly 30 percent. The 86th Infantry Brigade Combat Team Mountain (IBCT MTN) improved its personnel with an emphasis placed on Soldier availability. FY12 saw the return of the 172 Public Affairs Detachment from Kosovo and Detachment 27 Operational Support Airlift from the Horn of Africa. The 86 IBCT MTN continued to meet all Army Force Generation training ready year 1 and was selected for a joint readiness training center rotation in 2014. Vermont continued its strong relationships with Macedonia and Senegal leading the planning effort and playing a key role on two exercises. Vermont continues to prioritize our precious resources to meet readiness goals in FY13.

Utah

Funding: \$ 252,014,598
End Strength: 5,650
Full-Time Support: 1,149

The Utah Army National Guard (UTARNG) fulfilled its state mission admirably in 2012, responding to a number of local emergencies. Governor Gary Herbert activated Soldiers to assist in the aftermath of a severe Davis County windstorm in December. A particularly active summer fire season saw mobilized UTARNG members respond from the air and the ground to suppress wildfires near local communities and on Camp Williams. As for their federal mission, Soldiers of the 2-211th Aviation and 2-222nd Field Artillery returned from deployments to Afghanistan and Iraq, respectively, while the 1-211th Aviation and 624th Engineer Company departed for deployments in Afghanistan. Major General Brian L. Tarbet completed 12 years as the Adjutant General, turning the reins over to Major General Jefferson S. Burton in September 2012.

Virgin Islands

Funding: \$ 43,893,295
End Strength: 776
Full-Time Support: 249

The Virgin Islands Army National Guard (VIARNG) continued to perform training and real-world missions globally. Two units redeployed from OND and OEF, while two units are training intensively in preparation for deployment in FY13. Our maintenance unit received accolades on its evaluation at the National Maintenance Training Center in Camp Dodge, Iowa. The VIARNG band performed 11 combined concerts with the DEARNG and DCARNG bands and led a combined unit contingent in the Washington, DC, Independence Day Parade. Our Quartermaster Company produced more than 1.2 million gallons of water for distribution to the territory as a DSCA request for assistance. VIARNG teamed with FLARNG as a SPP partner in support of U.S. Southern Command's theater strategy. Our FTS is undermanned and, at less than 60 percent of requirements, is stretched thin. Audit readiness is a top priority to ensure VIARNG compliance with DoD, Army and NGB mandates.



Virginia

Funding: \$ 242,356,374
End Strength: 7,452
Full-Time Support: 1,165



The Virginia Army National Guard (VAARNG) is one of 15 states to achieve the readiness training and certification goals set by NGB for reaction forces after demonstrating it was fully trained and ready to perform the mission-essential tasks expected of a HRF. The Department of the Army announced that the Gate City-based 1032nd Transportation Company was the ARNG runner-up in the 2012 Philip A. Connelly Awards Competition. With the return of Soldiers from the Fort Belvoir-based 29th Infantry Division in July, the VAARNG has no units serving on federal active duty. VAARNG Soldiers distributed water and ice in Bedford, and conducted reconnaissance patrols to assess storm damage in early July after severe storms caused widespread damage across the state. In late August 2012, Virginia Guard aviators began rotating UH-72 Lakota helicopter crews to provide aerial reconnaissance support to the Texas ARNG mission to counter illegal immigration on the Southwest Border.



West Virginia

Funding: \$ 174,418,343
End Strength: 4,138
Full-Time Support: 802



West Virginia's Army National Guard (WVARNG) adapted in a dynamic environment, protecting and serving our nation. Soldiers, Airmen and Civilians met the demands of their assignments with significantly improved operational readiness. We mobilized local units worldwide, including our highly trained engineers and Special Forces. Even with FTS shortages, Soldiers stepped up to temporary work for the Joint Interagency Training and Education Center's (JITEC's) role in homeland security. JITEC's vital mission endures shortages in personnel funding and authorizations. Even so, JITEC trained America's HRF teams, provided integrated, interagency training to the spectrum of responders, and deployed Soldiers supporting the homeland border mission. Lean Six Sigma projects enabled improved readiness, reducing Soldier processing time by 65 percent and growing JITEC customer service satisfaction to over 98 percent. We look forward to future missions and will continue being cost effective while seeking opportunities to fully fund required FTS.



Washington

Funding: \$ 209,535,366
End Strength: 5,936
Full-Time Support: 1,047



The Washington Army National Guard (WAARNG) is comprised of approximately 6,000 Citizen-Soldiers from a variety of communities, professions and backgrounds. Soldier readiness and maintaining full end strength is key to accomplishing our mission at home and overseas. WAARNG benefits from the state's labor force—from technology, aerospace, agriculture and trade sectors—which enables it to be viable for emerging missions, such as cyber defense, special forces, intelligence, reconnaissance and CBRNE. Many armories are more than 50 years old and no longer meet the strategic and operational needs of the force. New readiness centers are sorely needed in Thurston and Pierce Counties. The WAARNG's aviation unit, 66th Theater Aviation Command, is flying helicopters that are more than 30 years old and must be replaced. Still, the WAARNG is the best military value for taxpayers' in Washington. Investing in the WAARNG pays huge dividends which enables us to be a Hometown Force with Global Reach.



Soldiers from the Virginia National Guard's Gate City-based 1033rd Engineer Support Company, 276th Engineer Battalion, 91st Troop Command work to clear a path for the Cannon Creek pedestrian and bike trail in Richmond.

Photo by Cotton Puryear



Photo by Vaughn R. Larson

Brigade and battalion leadership in the Wisconsin Army National Guard's 32nd Infantry Brigade Combat Team walk through a combined arms rehearsal with the aid of a large-scale sand table situation map during its warfighter exercise at Fort McCoy, WI.

WISCONSIN **Wisconsin**



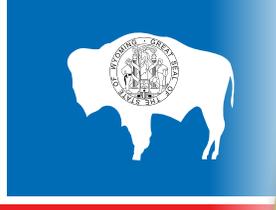
1848




Funding: \$ 217,353,267
End Strength: 7,526
Full-Time Support: 1,134

In FY12, the Wisconsin Army National Guard (WIARNG) deployed an ADT to train Afghan farmers, the 1157th Transportation Company to provide convoy escorts, and four female Wisconsin Soldiers return from serving as cultural support team members alongside SOFs. More than 200 WIARNG Soldiers returned from supporting NATO peacekeeping operations in Kosovo and Bosnia. Additionally, nearly 150 Soldiers with the 229th Engineer Company and the 106th Quarry Detachment report for active duty for a deployment to Afghanistan. The Pentagon recognized the 1st Battalion, 147th Aviation Regiment as the best in the Guard. The WIARNG explained to employers the value of hiring Wisconsin veterans. The WIARNG won the 2012 Army Communities of Excellence competition. And the WIARNG's CBRNE Enhanced Response Force Package set a national standard during its certification process.

Wyoming





Funding: \$ 88,741,308
End Strength: 1,637
Full-Time Support: 423

The Wyoming Army National Guard (WYARNG) proved its worth this year by extinguishing large wildfires in Wyoming and Colorado. WYARNG maintains our strong relationship with our partner, Tunisia, as it transitions to a democratic country. We also supported OEF by preparing our Soldiers, Families and employers for missions in the upcoming year. WYARNG will complete two military construction projects this year: a field maintenance shop in Laramie worth \$10.8M and a readiness center for C/5-159th worth \$10.2M. Additionally, we executed over \$2.1M by modernizing Camp Guernsey. The WYARNG FTS funding was decremented by almost 8 percent in FY12, challenging its abilities. Our 16 armories require almost \$3.0M in renovations to meet requirements. WYARNG is underfunded in force protection and initial skills training by \$1.0M. Yet, WYARNG Soldiers and units remain ready, and we always ride for the brand!

Financial Stewardship

Financial stewardship combines financial operations and the careful and responsible management of resources entrusted to one's care (obligations of a steward). The ARNG is fiscally responsible for appropriations (entrusted) from Congress and received as funds from Treasury Department through treasury warrants.

Federal funding has allowed the ARNG to sustain operations as a dual-mission, community-based, operational force that provides ready units to support global and domestic requirements. The ARNG appropriations for FY12 included NGPA, OMNG, MCNG, and Medicare Eligible Retiree Health Fund Contribution (MERHC), as well as, supplemental funds in NGPA and OMNG for OCO. The ARNG was funded from the DoD for NGREA, and received support from Army through Operation and Maintenance, Army (OMA) funding that proportionally funds the Reset program to restore ARNG equipment to full capabilities after being utilized in Afghanistan or any other operational theater. As outlined in table 1 and the executive overview, the ARNG budget reflects the FY12 base and OCO funding of \$17.5B.

For the ARNG, stewardship of funds also includes management and oversight of investment in nonfederal physical property for the purchase, construction or major renovation of physical property owned by state and local governments. An example of this type of investment is funding provided to the ARNG for construction of an ARNG facility on state land. Since the facility is constructed on state land, it is the property of the state; therefore, the ARNG cannot report it as an asset. Even so, since the funds were used to acquire a mission-related state facility, the ARNG tracks the outlay as an investment in nonfederal physical property.

The FY12 budget reflects notable modifications to the ARNG mission, equipment, and personnel strategies. Within the United States, the ARNG continues to support the CBRNE program by providing 55 percent of the total defense forces. The HRFs—in addition to the existing CST and CERFP provide regional capabilities and reduce response time for emergency responders.

The reduction in force levels throughout the spectrum of global contingency operations will decrease rotations of ARNG units. This decline in OCO requirements allows the ARNG to meet the full intent of the ARFORGEN planning objective for involuntary mobilization of one year mobilized/available to five years demobilized (i.e., 1:5 ratio).

Audit Readiness

The ARNG views audit readiness as a top priority. Achieving audibility is important as a measure of our financial stewardship as reflected in the ARNG's financial statements. Equally

important in today's tough financial environment, it is critical that DoD and the ARNG produce reliable financial information for decision making.

Auditability is dependent upon the accurate and repeatable financial recording practices, with proper internal control over financial reporting and stewardship transparency. Transparency builds confidence in existing financial controls and the integrity of the financial management processes. Increased financial oversight and regularly scheduled audits also help prevent fraud, waste and abuse or exposure of its occurrence. Finally, reliable financial information is helpful in assessing and garnering efficiencies.

The ARNG achieved two of the Army's major milestones toward audit readiness:

- Milestone 1: The ARNG has fully deployed GFEBs, the Army's web-based financial ERP system. Use of GFEBs enables the Army, ARNG and USAR to compile and share accurate, up-to-date, real time (or live) resource management data, as well as use its automated processes and controls produce auditable financial transactions.
- Milestone 2: SBR Exam 2 is underway. Personnel from the ARNG Resource Management community along with personnel from the Army's Audit Readiness Team visited or have scheduled visits to select states, territories and the District of Columbia to train end users and assess processes and internal controls in order to ensure the ARNG achieves audit readiness for this critical financial statement.

The General Fund Enterprise Business System

The ARNG's GFEBs transition began in FY10 with data validation and training of more than 15,000 ARNG end users. End user training and data validation continued through FY11, requiring end users to complete numerous computer-based training (CBT) and instructor-led training (ILT) requirements before being granted access to the system. The ARNG achieved full implementation on July 1, 2011, for all 54 states, territories and the District of Columbia. FY12 was the first full year for GFEBs use across the ARNG, replacing the Standard Finance System (STANFINS) as the financial system of record. GFEBs use will facilitate ARNG achievement of audit readiness for the SBR by the end of FY14. The following after action review identifies our significant challenges, accomplishments and lessons learned during GFEBs implementation.

General Fund Enterprise Business System

Challenges	Accomplishments
Funds Management by Subactivity Group	Implementation of New Business Processes
End User Knowledge and Comprehension	Training and Provisioning More Than 15,000 End Users
Minimal Full-Time Support Personnel	Power Users and the ARNG Helpdesk
Limited Leadership Involvement and System Knowledge	Successful Execution of Appropriations at 98 Percent
Lessons Learned	
Transparency of Transactions	GFEB Implementation Instructor-Led Trainers
Communication between Invested Parties	Leadership Involvement
Computer Based Training Early Initiation	The Inability to Upload Bulk Data

Table 10 - General Fund Enterprise Business System

Challenges

Funds Management by Subactivity Group

GFEB funding is distributed by Subactivity Group (SAG), whereas the ARNG traditionally has managed funding by Military Decision Package (MDEP). Funds management by SAG allows for greater funding flexibility since funds management by MDEP has been the standard procedure used to restrict funding to specific programs, the ARNG challenge is to establish new business processes that accommodate and align with the SAG distribution used within GFEB. SAG distribution also hinders distribution of the informal Annual Funding Plan at the MDEP level within the Business Intelligence system.

End User Knowledge and Comprehension

The implementation of GFEB generated new requirements for skills and abilities of end users. The new system introduces cost accounting and enforces an expanded segregation of duties across all organizations. This challenged users, who previously had not directly impacted financial processes, to complete their actions using the GFEB automated process. When some end users had difficulty adopting to the change or understanding financial terminology, the ARNG mitigated through repetitive instruction by power users or one-on-one desk side assistance.¹¹

Minimal Full-Time Support Personnel

The implementation of GFEB and the mission to become audit ready brought about more financial oversight to include enforcing a greater separation of duties to prevent fraud, waste and abuse. The separation of duties is critical to ensuring that not one person may manipulate financial processes; however, it is not always easy to achieve, especially in the ARNG. A lack of sufficient authorized FTS personnel within the states, territories and District of

Columbia created a shortage of depth to assume the multiple roles for transaction processing. Often, commands struggle to comply with the separation of duties essential for Government Risk and Compliance requirements. Consequently, in the event a primary processor is not available, payments may be delayed unless a trained backup is available, resulting in transactions being delayed.

Limited Leadership Involvement and System Knowledge

Prior to GFEB, the fiscal responsibility of many functional managers was limited to the review or certification of financial documents. However, GFEB requires leaders outside the Resource Management community also to be involved in automated processes to complete transactions. Initially, many functional managers were not actively engaged in the change management discussions to fully understand the impacts that GFEB would have upon the ARNG. Thus, upon implementation, they were not prepared for their new roles and responsibilities. Over time leadership involvement and system knowledge was shared as many challenges were overcome.

Accomplishments

Implementation of New Business Processes

The implementation of GFEB brought about changes in existing business processes that incorporate more stringent automated internal controls. New business processes, from funds distribution to recording an obligation or making contract payments were developed through trial and error. The power users located within each state, territory and District of Columbia, along with the ARNG helpdesk and the expertise of the on site support within each USPF region allowed for the correct processes to be developed to complete mission requirements. To date, we continue to

¹¹Power users, http://www.gfeps.army.mil/news/The_GFEB_Times_022010.pdf (accessed November 2012)

sustain and evolve GFEBs training throughout the Guard ensuring all personnel understand GFEBs is an enterprise tool—not just an accounting system—so everyone has a role. We developed Digital Smart Book documents, to include refining job aids, to assist with most of the routine practices encountered in GFEBs. The ARNG intends to provide job aids to GFEBs users as needed to standardize training and reduce processing errors.

Training and Provisioning More Than 15,000 End Users

Every end user is an integral part of completing GFEBs transactions in a manner that is compliant. To gain access to GFEBs each end user had to complete at a minimum three CBTs. Additional CBTs were required for many users, especially those within the Resource Management community who operate within GFEBs on a daily basis. The ARNG successfully trained more than 15,000 end users across all states, territories and District of Columbia.

Power Users and the ARNG Helpdesk

Trained power users within each state, territory and the District of Columbia, were essential to the successful implementation of GFEBs throughout the ARNG. Power users are the first responders to end users issues. With their additional GFEBs training, power users often diagnose problems and provide on-the-spot solutions. For tougher issues, such as business process innovation or data validation, the power users are able to contact the ARNG Helpdesk for assistance. The ARNG Helpdesk is the lifeline to the GFEBs implementation team; their experienced personnel regularly share detailed information with power users to solve end user issues.

Successful Execution of Appropriations at 98 Percent

Although FY12 was the first full year for the ARNG to utilize GFEBs across the organization, challenges were overcome quickly and our Soldiers did what they do best, “adapt and overcome” adversities. The implementation of GFEBs brought about completely new business processes for the ARNG; however, challenges were met and the ARNG successfully executed 98 percent of its federal appropriations within GFEBs.

Lessons Learned

The ARNG’s transition from STANFINS and other Legacy systems to GFEBs produced several lessons learned. New emphases, such as cost management, management controls, auditability and sustainment and maintenance training, have become top priorities. Each of these emphases has unique challenges that must be addressed diligently to achieve success. For example, cost management requires a paradigm shift from a “use or lose” mentality to one of

“integrating full cost and related output data” that optimizes available resources and produces better programming, budgeting and execution decisions. The NGB and the states similarly will make allocation determinations with regard to centrally billed, centrally funded accounts and activities such as the PEC and the Guard Material Management Center. The ARNG also must determine how best to garner the skills and manpower necessary to perform these new cost management and accounting activities across the ARNG enterprise.

Transparency of Transactions

Transparency is key to becoming audit ready and producing auditable financial statements. The use of GFEBs enables transparency across the ARNG. This tool allows for financial oversight from “top-down” as well as from “bottom-up.” With transparency, all interested parties gain the ability to provide financial oversight that ensures all personnel and processes operate within regulation.

Communication between Invested Parties

The GFEBs incorporates multiple users to complete a single transaction, an internal control within the system to prevent waste, fraud and abuse. The necessity for active communication among all invested parties became a quick realization. Gone were the days of “fire and forget.” Today, transaction processors must communicate regularly and effectively with each other as the transaction progresses through GFEBs to ensure timely processing.

Computer Based Training Early Initiation

During GFEBs implementation, users who completed CBTs early were provisioned and granted access allowing the completion of daily operations. Many other users did not complete training early, making transaction processing difficult at times. Furthermore, as civilian employees and military members turn over, it is essential for their replacements to complete CBTs early and quickly to gain knowledge of and access to GFEBs. Training is key to reducing lost productivity and erroneous transaction processing.

GFEBs Implementation Instructor-Led Trainers

Feedback from many users is that they did not benefit from ILTs. At the state level, many GFEBs users felt that the training did not prepare them for what they would actually encounter on the job.

Leadership Involvement

Initially, leadership involvement got off to a slow start; however, as process changes became a realization, leadership became more aware of their roles and responsibilities within GFEBs. As an additional benefit, greater lead-

ership involvement led to the reduction in the amount of unmatched disbursements and intermediate documents across the ARNG.

The Inability to Upload Bulk Data

The inability to process bulk data was especially critical at the start of the fiscal year as allotment and annual funding program (AFP) had to be manually inputted into GFEBs by base, OCO, and counter drug. First, we had to pull funds from level I to level II and then push funds from level II to level III. The allotments followed a similar process. Separate documents had to be entered for AFP and allotments for the same fund type versus the same document having both.

Lessons Learned Summation

The ARNG continues to work through the lessons learned and other GFEBs challenges as we build business processes and improve job aids while working in GFEBs. As our motto goes, "Always Ready, Always There."

The National Guard Personnel, Army

The NGPA budget provides funding for basic pay, incentive pay, and basic allowances for: subsistence and housing, clothing, travel and per diem, other pay and allowances, permanent change of station, hospitalization and disability, retired pay accrual, death gratuities, annual training, IDT, IET, schools training to include career development, refresher training, pilot training, MOS qualification, NET, and education benefits. The NGPA also funds special training, including missions to support COCOM initiatives, recruiting and retention, bonuses and incentives, Health Professional Scholarship Program, and BOLC for newly commissioned officers.

National Guard Personnel, Army		
Program	Total (\$M)	Percent
Active Guard Reserve, Pay	\$3,302.8	39.9%
Inactive Duty Training	\$1,524.8	18.4%
Overseas Contingency Operations	\$ 542.9	6.6%
Special Training	\$ 815.6	9.8%
Active Duty for Training, Pay	\$ 663.8	8.0%
School Training	\$ 540.4	6.5%
Initial Entry Training	\$ 531.9	6.4%
Selected Reserve Incentives	\$ 284.1	3.4%
Bonus Programs	\$ 56.7	0.7%
Other Programs	\$ 17.4	0.2%
	\$8,280.5	100%

Figure 13 - National Guard Personnel, Army

Operations and Maintenance, National Guard

The OMNG appropriation supports operating and maintaining ARNG units in the 54 states, territories and the District of Columbia. Funding supports two budget authorities and 18 SAGs. Programs funded by this appropriation include: training and operations support, air and ground OPTEMPO, domestic preparedness, pay and benefits for MILTECHs and the Department of the Army civilians, automation and information systems, base operations, education programs, medical readiness, missions support, schools, CSTs, second destination transportation, facilities sustainment, equipment restoration and modernization, communications, supply activity, transportation and depot maintenance, military funeral honors, and recruiting and advertising. The ARNG has continued to modernize equipment over the past decade. As a result, the ARNG is a more ready, more capable, and more efficient organization.

Operations and Maintenance, ARNG

Program	Total (\$M)	Percent
Civilian/Technician Pay	\$ 2,121.8	29.4%
Ground Operation Tempo (OPTEMPO)	\$ 726.5	10.0%
Base Operation Support	\$ 852.6	11.8%
Facilities, Sustainment, Restoration, & Modernization	\$ 614.4	8.5%
Overseas Contingency Operations	\$ 304.2	4.2%
Recruiting and Advertising	\$ 395.0	5.5%
Depot Maintenance	\$ 580.7	8.0%
Air OPTEMPO	\$ 323.3	4.5%
Other Programs	\$ 527.0	7.3%
Medical Readiness	\$ 175.7	2.4%
Mission Support/Training	\$ 147.3	2.0%
Education Programs	\$ 92.6	1.3%
Environmental	\$ 110.7	1.5%
Family Programs	\$ 93.7	1.3%
Counter Drug	\$ 37.1	0.5%
Chemical Biological Radiological Nuclear Explosives (CBRNE)	\$ 104.4	1.4%
Automation and Info Systems	\$ 23.0	0.3%
	\$ 7,228.0	100%

Figure 14 - Operations and Maintenance, ARNG

Overseas Contingency Operations

The ARNG ability to support OCO missions in Afghanistan, Iraq, and other theaters during FY12 was directly linked to OCO funding appropriated and executed. This OCO funding allowed for incremental increases in OPTEMPO prior to mobilization (premobilization training and support) and after redeployment (reintegration and Family program activities).

Overseas Contingency Operations

ARNG Funding and Mobilizations FY07-12

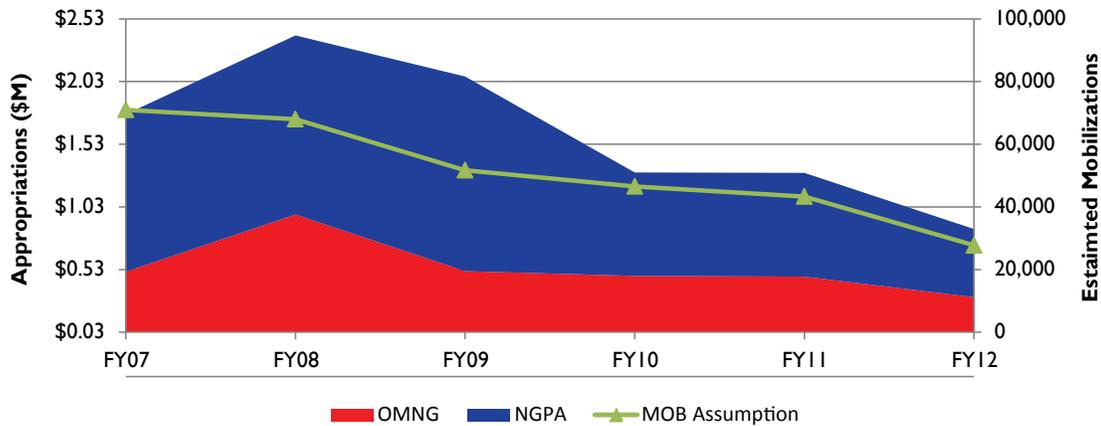


Figure 15 - Overseas Contingency Operations

ARNG OCO funding covers the cost of military operations, family programs, predeployment training, aircraft flying hours, and vehicle miles at a wartime OPTEMPO. Over the past 12 years, the ARNG has experienced a sharp increase in operational missions—both overseas and domestic. This trend continued throughout FY12, even as the DoD completed a withdrawal of forces from Iraq and sustained operations in Afghanistan.

The ARNG utilizes the supplemental OCO funding to complete additional training and readiness requirements in direct support of mobilization an overseas deployment. Annual OCO funding ensures that every deploying ARNG Soldier receives the appropriate premobilization training and support to adequately prepare for the mission. Premobilization training of ARNG soldiers also maximizes in-theater utilization by reducing the postmobilization (CONUS) training and certification time. The funding also supports the increased incremental costs associated with postredployment activities, including: Soldier and Family reintegration, postdeployment health reassessments, and unit equipment Reset requirements.

Military Construction, National Guard

The MCNG appropriation funds projects that create a complete and usable facility and encompasses one or more of the following: (1) erection, installation, or assembly of new facility; (2) addition, expansion, extension, alteration, conversion (facility modification caused by a change in facility utilization), or complete replacement of an existing facility; (3) relocation of a facility from one installation to another; (4) installed building equipment made a part of the facility; (5) related site preparation, excavation, filing, landscaping or other land improvements; (6) foundations, site work, and utility work associated with the setup of relocatable buildings in

accordance with Army Regulation 420-18; or (7) demolition of existing facilities when associated with one on of the actions listed above. Restrictions are listed in National Guard Regulation 415-5, paragraph 1-5, Statutory and Regulatory Limitations.

Medicare Eligible Retiree Health Fund Contribution

The MERHC is a one year appropriation used to finance the cost of TRICARE benefits accrued by National Guard service members. Payment of MERHC is for current military personnel in accordance with the FY01 NDAA (Public Law 106-398). This account is a restricted allotment for use by Defense Finance and Accounting Service (DFAS), Indianapolis. The ARNG is required to maintain appropriate balances in these accounts to cover the MERHC accrual costs associated with projected military personnel strength in each fiscal year. Accrual costs will be determined based on the full-time and part-time rates determined by the MERHC Board of Actuaries multiplied by the projected average monthly end strength.

Summary

The ARNG leadership is committed to Statement of Budgetary Resource audit readiness in FY14 and full auditability by FY17. To do so, we are employing effective internal management controls for all mission-essential processes to support the reliability of financial information. The ARNG is responsible for establishing, maintaining, and assessing internal controls in order to provide reasonable assurance that it meets the objectives of the Federal Managers' Financial Integrity Act, 31 U.S.C 3512, Sections 2 and 4, and the Federal Financial Management Improvement Act. Through GFEBS, established fiscal practices, and knowledgeable leadership, the ARNG will become audit ready.

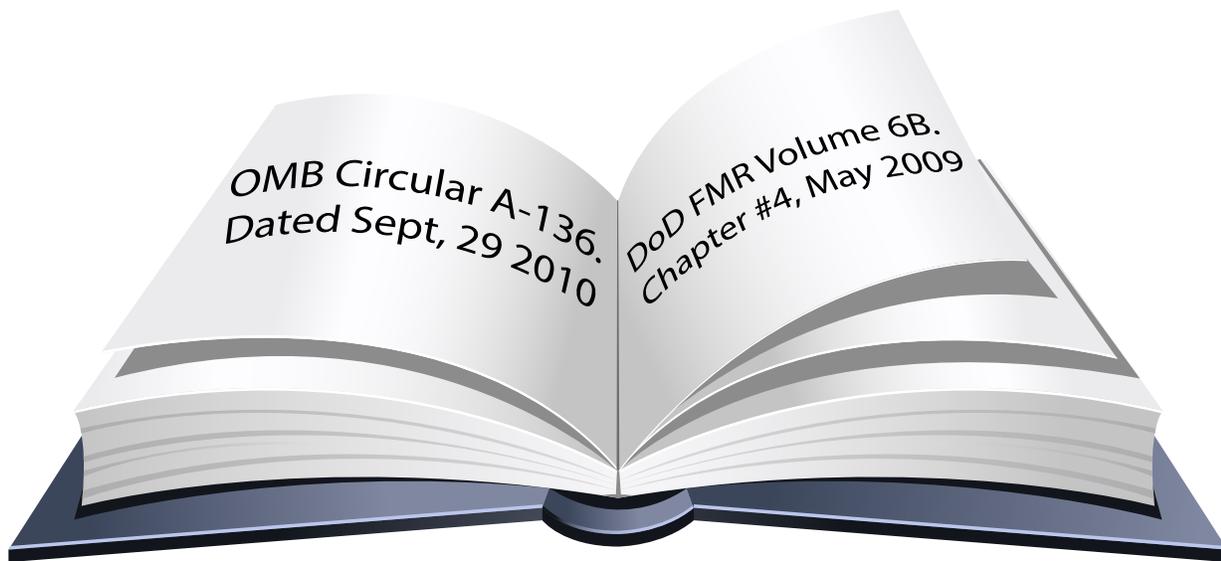
Fiscal Year 2012 Financial Statements

Financial Statements Limitations

The financial statements have been prepared to report the financial position and result of operations for the ARNG entity, pursuant to the requirements of Title 31, U.S.C., Section 351(d).

The statements have been prepared from the official GFEBs and STANFINS of the entity, in accordance with the formats prescribed by the OMB; the statements are in addition to the other financial reports used to monitor and control budgetary resources which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

1. Consolidated Balance Sheet—this report presents, as of a specific time, amounts of future economic benefits owned or managed by the reporting entity (assets), amounts owed by the entity (liabilities), and amounts which comprises the difference (net Position).
2. Statement of Net Cost—This report is designed to show the components of the net cost of the reporting entity's operations for the period. The net cost of operations is the gross cost incurred by the reporting entity less any exchange revenue earned from its activities.
3. Statement of Net Positions—This report shows the changes in net position during the reporting period.
4. Statement of Budgetary Resources—This report provide information about how budgetary resources were made available as well as their status at the end of the period.



Consolidated Balance Sheet

Army General Fund - Army National Guard

As of September 30

2012

I. ASSETS (Note 2)

A. Intragovernmental:

1. Fund Balance with Treasury (Note 3)	\$	6,448,826,905.60
2. Investments (Note 4)		0.00
3. Accounts Receivable (Note 5)		45,181,645.71
4. Other Assets (Note 6)		(5,799,931.33)
5. Total Intragovernmental Assets	\$	<u>6,488,208,619.98</u>

B. Cash and Other Monetary Assets (Note 7)	\$	229,260.80
C. Accounts Receivable, Net (Note 5)		84,966,146.61
D. Loans Receivable (Note 8)		0.00
E. Inventory and Related Property, Net (Note 9)		0.00
F. General Property, Plant and Equipment, Net (Note 10)		1,297,732,109.06
G. Investments (Note 4)		0.00
H. Other Assets (Note 6)		434,901,051.78

2. TOTAL ASSETS \$ 8,306,037,188.23

3. STEWARDSHIP PROPERTY, PLANT & EQUIPMENT (Note 10)

4. LIABILITIES (Note 11)

A. Intragovernmental:

1. Accounts Payable (Note 12)	\$	213,158,241.74
2. Debt (Note 13)		0.00
3. Other Liabilities (Notes 15 & 16)		108,160,811.73
4. Total Intragovernmental Liabilities	\$	<u>321,319,053.47</u>

B. Accounts Payable (Note 12)	\$	(96,311,430.91)
C. Military Retirement and Other Federal Employment Benefits (Note 17)		229,290,869.10
D. Environmental and Disposal Liabilities (Note 14)		0.00
E. Loan Guarantee Liability (Note 8)		0.00
F. Other Liabilities (Notes 15 & 16)		539,062,599.87

5. TOTAL LIABILITIES \$ 993,361,091.53

6. COMMITMENTS AND CONTINGENCIES (NOTE 16)

7. NET POSITION

A. Unexpended Appropriations - Earmarked Funds (Note 23)	\$	0.00
B. Unexpended Appropriations - Other Funds		6,465,992,374.11
C. Cumulative Results of Operations - Earmarked Funds		0.00
D. Cumulative Results of Operations - Other Funds		846,683,722.59

8. TOTAL NET POSITION 7,312,676,096.70

9. TOTAL LIABILITIES AND NET POSITION \$ 8,306,037,188.23

Consolidated Statement of Net Cost

Army General Fund - Army National Guard

As of September 30

2012

I. Program Costs

A. Gross Costs	\$	14,261,072,100.88
1. Military Personnel		9,135,031,433.09
2. Operations, Readiness & Support		5,381,050,818.57
3. Family Housing & Military Construction		(255,010,150.78)
B. (Less: Earned Revenue)		<u>(84,522,246.32)</u>
C. Net Cost before Losses/(Gains) from Actuarial Assumption		
Changes for Military Retirement Benefits	\$	14,176,549,854.56
D. Losses/(Gains) from Actuarial Assumption Changes		
for Military Retirement Benefits		0.00
E. Net Program Costs Including Assumption Changes	\$	14,176,549,854.56
F. Costs Not Assigned to Programs		0.00
G. (Less: Earned Revenues) Not Attributed to Programs		<u>0.00</u>
2. Net Cost of Operations	\$	<u>14,176,549,854.56</u>



Consolidated Statement of Changes in Net Position

Army General Fund - Army National Guard

As of September 30

2012

CUMULATIVE RESULTS OF OPERATIONS

1. Beginning Balances	\$	780,699,296.88
2. Prior Period Adjustments		
Changes in accounting principles (+/)		0.00
Corrections of errors (+/-)		0.00
3. Beginning Balances, as adjusted	\$	780,699,296.88
4. Budgetary Financing Sources:		
A. Other adjustments (recessions, etc.)		0.00
B. Appropriations used	\$	14,228,065,704.62
C. Nonexchange revenue		(285,256.93)
D. Donations and forfeitures of cash and cash equivalents		0.00
E. Transfers-in/out without reimbursement		0.00
F. Other budgetary financing sources		0.00
5. Other Financing Sources:		
A. Donations and forfeitures of property		0.00
B. Transfers-in/out without reimbursement (+/-)		(1,753,175.06)
C. Imputed financing from costs absorbed by others		316,191.81
D. Other (+/-)		16,190,815.83
6. Total Financing Sources	\$	14,242,534,280.27
7. Net Cost of Operations (+/-)	\$	14,176,549,854.56
8. NET Change		65,984,425.71
9. Cumulative Results of Operations	\$	846,663,722.59

UNEXPENDED APPROPRIATIONS

10. Beginning Balances	\$	3,300,008,942.18
11. Prior Period Adjustments:		
Changes in accounting principles (+/-)	\$	0.00
Corrections of errors (+/-)		0.00
12. Beginning Balances, as adjusted	\$	3,300,008,942.18
13. Budgetary Financing Sources:		
A. Appropriations received	\$	17,560,512,000.00
B. Appropriations transfers-in/out		179,140,000.00
C. Other adjustments (recessions, etc.)		(345,602,863.45)
D. Appropriations used		(14,228,065,704.62)
14. Total Budgetary Financing Sources	\$	3,165,983,431.93
15. Unexpended Appropriations		6,465,992,374.11
16. Net Position	\$	7,312,676,096.70

Consolidated Statement of Budgetary Resources

Army General Fund - Army National Guard

As of September 30

2012

BUDGETARY FINANCING ACCOUNTS

BUDGETARY RESOURCES:

Unobligated balance, brought forward, October 1	\$	1,227,288,818.76
Unobligated balance, brought forward, October 1, as adjusted		1,227,288,818.76
Recoveries of prior year unpaid obligations		2,027,135,029.80
Other changes in unobligated balance (+/-)		(307,663,863.45)
Unobligated balance from prior year budget authority, net		2,946,759,985.11
Appropriations (discretionary and mandatory)		17,701,713,000.00
Spending Authority from offsetting collections		186,326,590.96
Total Budgetary Resources	\$	20,834,799,576.07

Status of Budgetary Resources:

Obligations incurred	\$	19,460,647,301.90
Unobligated balance, end of year		
Apportioned		740,224,441.76
Unapportioned		633,927,832.41
Total Unobligated balance, end of year		1,374,152,274.17
Total Budgetary Resources	\$	20,834,799,576.07

Change in Obligated Balance:

Unpaid obligations, brought forward, October 1 (gross)	\$	4,301,842,018.29
Uncollected customer payments from Federal sources, brought forward, October 1		(58,749,723.49)
Obligated balance, start of year (net), before adjustments (+/-)		4,243,092,294.80
Obligated balance, start of year (net), as adjusted		4,243,092,294.80
Obligations incurred		19,460,647,301.90
Outlays (gross) (-)		(16,545,623,448.67)
Change in uncollected customer payments from Federal sources (+/-)		(56,306,486.80)
Recoveries of prior year unpaid obligations (-)		(2,027,135,029.80)
Obligated balance, end of year		
Unpaid Obligations, end of year (gross)		5,189,730,841.72
Uncollected customer payments from Federal sources, end of year		(115,056,210.29)
Obligated balance, end of year	\$	5,074,674,631.43

Budget Authorities and Outlays, Net:

Budget authority, gross (discretionary and mandatory)	\$	17,888,039,590.96
Actual offsetting collections (discretionary and mandatory) (-)		(130,020,104.16)
Change in uncollected customer payments from Federal Sources (discretionary and mandatory) (+/-)		(56,306,486.80)
Budget authority, nets (discretionary and mandatory)	\$	17,701,713,000.00
Outlays, gross (discretionary and mandatory)		16,545,623,448.67
Actual offsetting collections (discretionary and mandatory) (-)		(130,020,104.16)
Outlays, net (discretionary and mandatory)		16,415,603,344.51
Agency Outlays, net (discretionary and mandatory)	\$	16,415,603,344.51

Note I. Significant Accounting Policies

I. 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 DoD, Financial Management Regulation, the 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 discernible.

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 13 auditor identified financial Statement material weaknesses: (1) Accounting Adjustments, (2) Intra-governmental Eliminations, (3) Abnormal Account Balances, (4) Accounts Receivable, (5) Inventory and Related Property, (6) Property, Plant, and Equipment, (7) Accounts Payable, (8) Environmental Liabilities, (9) Statement of Net Cost, (10) SBR, (11) Reconciliation of Net Cost of Operations to Budget, (12) Fund Balance with Treasury (FBWT) and (13) Contingency payment audit trails. Known and unknown material weakness impacts the ARNG to have report accurate financial information.

Fiscal year (FY) 2012 represents the fifteenth (15) 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 FY12, 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 DoD 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

I.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 United States.

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 OCO. 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.

I.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.

I.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 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.

I.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 bills are issued.

I.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.

I.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 (OPM).

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.

I.H. Transactions with Foreign Governments and International Organizations

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

I.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 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 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.

I.J. Cash and Foreign Currency

The ARNG does not have any foreign currency transactions.

I.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>.

I.L. Direct Loans and Loan Guarantees

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

I.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 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 FY12, 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.

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

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

I.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 \$100,000 except for real property which is \$20,000. 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.

I.P. Advances and Prepayments

When advances are permitted by law, legislative action, or presidential authorization, the DoD is to record advances and prepayments in accordance with General Accepted Accounting Principles (GAAP). 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.

I.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.

I.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.

I.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.

I.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.

I.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.

I.V. Treaties for Use of Foreign Bases

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

I.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 in transit and reduce nonfederal accounts payable. Unsupported undistributed collections are recorded in nonfederal other liabilities.

Note 2. Nonentity Assets

As of September 30	2012	
1. Intragovernmental Assets		
A. Fund Balance with Treasury	\$	0.00
B. Accounts Receivable		0.00
C. Other Assets		0.00
D. Total Intragovernmental Assets	\$	0.00
2. Nonfederal Assets		
A. Cash and Other Monetary Assets	\$	0.00
B. Accounts Receivable		947,847.86
C. Other Assets		0.00
D. Total Nonfederal Assets	\$	947,847.86
3. Total Nonentity Assets	\$	947,847.86
4. Total Entity Assets	\$	8,305,089,340.37
5. Total Assets	\$	8,305,089,340.37

Note 3. Fund Balance With Treasury

As of September 30	2012	
1. Fund Balances		
A. Appropriated Funds	\$	6,448,826,905.60
B. Revolving Funds		0.00
C. Trust Funds		0.00
D. Special Funds		0.00
E. Other Fund Types		0.00
F. Total Fund Balances	\$	6,448,826,905.60
2. Fund Balances Per Treasury Versus Agency		
A. Fund Balance per Treasury	\$	0.00
B. Fund Balance per Agency		6,448,826,905.60
3. Reconciling Amount	\$	(6,448,826,905.60)
Status of Fund Balance with Treasury		
1. Unobligated Balance		
A. Available	\$	740,224,441.76
B. Unavailable		633,927,832.41
2. Obligated Balance not yet Disbursed	\$	5,189,730,841.72
3. Non-budgetary FBWT	\$	0.00
4. Non-FBWT Budgetary Accounts	\$	(115,056,210.29)
5. Total	\$	6,448,826,905.60

Note 4. Investments

The Army National Guard does not engage in any type of investment activity.

Note 5. Accounts Receivable

As of September 30	2012		
	Gross Amount Due	Allowance For Estimated Uncollectibles	Accounts Receivable, Net
1. Intragovernmental Receivables	\$ 45,181,645.71	N/A	\$ 45,181,645.71
2. Nonfederal Receivables (From the Public)	\$ 94,933,080.04	\$ (9,966,933.43)	\$ 84,966,146.61
3. Total Accounts Receivable	\$ 140,114,725.75	\$ (9,966,933.43)	\$ 130,147,792.32

Note 6. Other Assets

As of September 30	2012	
1. Intragovernmental Other Assets		
A. Advances and Prepayments	\$	(5,799,931.33)
B. Other Assets		0.00
C. Total Intragovernmental Other Assets	\$	(5,799,931.33)
2. Nonfederal Other Assets		
A. Outstanding Contract Financing Payments	\$	0.00
B. Advances and Prepayments		434,901,051.78
C. Other Assets (With the Public)		0.00
D. Total Nonfederal Other Assets	\$	434,901,051.78
3. Total Other Assets	\$	429,101,120.45

Note 7. Cash and Other Monetary Assets

As of September 30	2012	
1. Cash	\$	229,260.80
2. Foreign Currency		0.00
3. Other Monetary Assets		0.00
4. Total Cash, Foreign Currency, & Other Monetary Assets	\$	229,260.00

Information Related to Cash and Other Monetary Assets

The Army National Guard does not have any cash or other monetary assets on hand; however an Undeposited Collection for the amount of \$229,260.80 was erroneously collected due to General Ledger mapping error within GFEBs. Corrected transaction was processed on/a 22 October 2012, at Army level.

Note 8. Direct Loans and/or Loan Guarantees

The Army National Guard does not engage in any type of lending fund activities.

Note 9. Inventory and Related Property

The Army National Guard 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		2012			
	Depreciation/ Amortization Method	Service Life	Acquisition Value	(Accumulated Depreciation/ Amortization)	Net Book Value
I. Major Asset Classes					
A. Land	N/A	N/A	\$ 60,971,023.98	N/A	\$ 60,971,023.98
B. Buildings, Structures, and Facilities	S/L	20 or 40	1,722,069,927.81	\$ (674,506,558.39)	1,047,563,369.42
C. Leasehold Improvements	S/L	lease term	2,852,181.00	(848,488.00)	2,003,693.00
D. Software	S/L	2-5 or 10	0.00	0.00	0.00
E. General Equipment	S/L	5 or 10	72,964,453.12	(47,692,614.94)	25,271,838.18
F. Military Equipment	S/L	Various	0.00	0.00	0.00
G. Shipbuilding (Construction-in-Progress)	N/A	N/A	0.00	0.00	0.00
H. Assets Under Capital Lease	S/L	lease term	0.00	0.00	0.00
I. Construction-in-Progress (Excludes Military Equipment)	N/A	N/A	161,922,184.48	N/A	161,922,184.48
J. Other			0.00	0.00	0.00
K. Total General PP&E			\$ 2,020,799,770.39	\$ (723,047,661.33)	\$ 1,297,732,109.06

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		2012	
I. Intragovernmental Liabilities			
A. Accounts Payable		\$	0.00
B. Debt			0.00
C. Other			43,182,801.24
D. Total Intragovernmental Liabilities		\$	43,182,801.24
2. Nonfederal Liabilities			
A. Accounts Payable		\$	17,396,878.74
B. Military Retirement and Other Federal Employment Benefits			229,290,869.10
C. Environmental Liabilities			0.00
D. Other Liabilities			237,640,265.38
E. Total Nonfederal Liabilities		\$	484,328,013.22
3. Total Liabilities Not Covered by Budgetary Resources		\$	527,510,814.46
4. Total Liabilities Covered by Budgetary Resources		\$	465,850,277.07
5. Total Liabilities		\$	993,361,091.53

Note 12. Accounts Payable

As of September 30		2012		
		Accounts Payable	Interest, Penalties, and Administrative Fees	Total
1. Intragovernmental Payables	\$	213,158,241.74	\$ N/A	\$ 213,158,241.74
2. Nonfederal Payables (to the Public)		(96,375,183.19)	63,752.28	(96,311,430.91)
3. Total	\$	116,783,058.55	\$ 63,752.28	\$ 116,846,810.83

Note 13. Debt

The Army National Guard has no reported debt in 2012.

Note 14. Environmental Liabilities and Disposal Liabilities

The value of environmental liabilities incurred of the final disposition of property, structures, weapons, munitions and equipments cannot be determined at this time.

Note 15. Other Liabilities

As of September 30		2012		
		Current Liability	Noncurrent Liability	Total
I. Intragovernmental				
A. Advances from Others	\$	330,069.41	\$ 0.00	\$ 330,069.41
B. Deposit Funds and Suspense Account Liabilities		0.00	0.00	0.00
C. Disbursing Officer Cash		0.00	0.00	0.00
D. Judgment Fund Liabilities		0.00	0.00	0.00
E. FECA Reimbursement to the Department of Labor		18,728,846.31	24,453,954.93	43,182,801.24
F. Custodial Liabilities		0.00	947,847.86	947,847.86
G. Employer Contribution and Payroll Taxes Payable		63,700,093.22	0.00	63,700,093.22
H. Other Liabilities		0.00	0.00	0.00
I. Total Intragovernmental Other Liabilities	\$	82,759,008.94	\$ 25,401,802.79	\$ 108,160,811.73
2. Nonfederal				
A. Accrued Funded Payroll and Benefits	\$	320,303,881.91	\$ 0.00	\$ 320,303,881.91
B. Advances from Others		2,151,736.28	0.00	2,151,736.28
C. Deferred Credits		0.00	0.00	0.00
D. Deposit Funds and Suspense Accounts		0.00	0.00	0.00
E. Temporary Early Retirement Authority		0.00	0.00	0.00

Note 15. Other Liabilities, Cont.

As of September 30	2012		
	Current Liability	Noncurrent Liability	Total
F. Nonenvironmental Disposal Liabilities			
1. Military Equipment (Nonnuclear)	0.00	0.00	0.00
2. Excess/Obsolete Structures	0.00	0.00	0.00
3. Conventional Munitions Disposal	0.00	0.00	0.00
G. Accrued Unfunded Annual Leave	248,368,688.86	0.00	248,368,688.86
H. Capital Lease Liability	0.00	0.00	0.00
I. Contract Holdbacks	324,288.55	0.00	324,288.55
J. Employer Contribution and Payroll Taxes Payable	(32,085,995.73)	0.00	(32,085,995.73)
K. Contingent Liabilities	0.00	0.00	0.00
L. Other Liabilities	0.00	0.00	0.00
M. Total Nonfederal Other Liabilities	\$ 539,062,599.87	\$ 0.00	\$ 539,062,599.87
3. Total Other Liabilities	\$ 621,821,608.81	\$ 25,401,802.79	\$ 647,223,411.60

Capital Lease Liabilities

The Army National Guard does not have any Capital Lease Liabilities.

Note 16. Commitments and Contingencies

The Army National Guard does not have any commitments and contingencies.

Note 17. Military Retirement and Other Federal Employee Benefits

As of September 30	2012		
	Liabilities	(Less: Assets Available to Pay Benefits)	Unfunded Liabilities
1. Pension and Health Benefits			
A. Military Retirement Pensions	\$ 0.00	\$ 0.00	\$ 0.00
B. Military Pre Medicare-Eligible Retiree Health Benefits	0.00	0.00	0.00
C. Military Medicare-Eligible Retiree Health Benefits	0.00	0.00	0.00
D. Total Pension and Health Benefits	\$ 0.00	\$ 0.00	\$ 0.00
2. Other Benefits			
A. FECA	\$ 229,290,869.10	\$ 0.00	\$ 229,290,869.10
B. Voluntary Separation Incentive Programs	0.00	0.00	0.00
C. DoD Education Benefits Fund	0.00	0.00	0.00
D. Other	0.00	0.00	0.00
E. Total Other Benefits	\$ 229,290,869.10	\$ 0.00	\$ 229,290,869.10
3. Total Military Retirement and Other Federal Employment Benefits:	\$ 229,290,869.10	\$ 0.00	\$ 229,290,869.10

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

As of September 30

2012

Military Retirement Benefits

1. Gross Cost

A. Intragovernmental Cost	\$	0.00
B. Nonfederal Cost		0.00
C. Total Cost	\$	0.00

2. Earned Revenue

A. Intragovernmental Revenue	\$	0.00
B. Nonfederal Revenue		0.00
C. Total Revenue	\$	0.00

3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits

Total Net Cost	\$	0.00
----------------	----	------

Civil Works

1. Gross Cost

A. Intragovernmental Cost	\$	0.00
B. Nonfederal Cost		0.00
C. Total Cost	\$	0.00

2. Earned Revenue

A. Intragovernmental Revenue	\$	0.00
B. Nonfederal Revenue		0.00
C. Total Revenue	\$	0.00

3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits

Total Net Cost	\$	0.00
----------------	----	------

Military Personnel

1. Gross Cost

A. Intragovernmental Cost	\$	2,937,519,302.48
B. Nonfederal Cost		6,197,512,130.61
C. Total Cost	\$	9,135,031,433.09

2. Earned Revenue

A. Intragovernmental Revenue	\$	(29,072,022.38)
B. Nonfederal Revenue		(348,676.23)
C. Total Revenue	\$	(29,420,698.61)

3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits

Total Net Cost	\$	9,105,610,734.48
----------------	----	------------------

Operations, Readiness & Support

1. Gross Cost

A. Intragovernmental Cost	\$	1,095,709,883.83
B. Nonfederal Cost		4,285,340,934.74
C. Total Cost	\$	5,381,050,818.57

2. Earned Revenue

A. Intragovernmental Revenue	\$	(34,503,849.39)
B. Nonfederal Revenue		(20,597,698.32)
C. Total Revenue	\$	(55,101,547.71)

3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits

Total Net Cost	\$	5,325,949,270.86
----------------	----	------------------

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

As of September 30

2012

Procurement

1. Gross Cost

A. Intragovernmental Cost	\$	0.00
B. Nonfederal Cost		0.00
C. Total Cost	\$	0.00

2. Earned Revenue

A. Intragovernmental Revenue	\$	0.00
B. Nonfederal Revenue		0.00
C. Total Revenue	\$	0.00

3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits

	\$	0.00
--	----	------

Total Net Cost

	\$	0.00
--	----	------

Research, Development, Test & Evaluation

1. Gross Cost

A. Intragovernmental Cost	\$	0.00
B. Nonfederal Cost		0.00
C. Total Cost	\$	0.00

2. Earned Revenue

A. Intragovernmental Revenue	\$	0.00
B. Nonfederal Revenue		0.00
C. Total Revenue	\$	0.00

3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits

	\$	0.00
--	----	------

Total Net Cost

	\$	0.00
--	----	------

Family Housing & Military Construction

1. Gross Cost

A. Intragovernmental Cost	\$	(22,402,748.22)
B. Nonfederal Cost		(232,607,402.56)
C. Total Cost	\$	(255,010,150.78)

2. Earned Revenue

A. Intragovernmental Revenue	\$	0.00
B. Nonfederal Revenue		0.00
C. Total Revenue	\$	0.00

3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits

	\$	0.00
--	----	------

Total Net Cost

	\$	(255,010,150.78)
--	----	------------------

Consolidated

1. Gross Cost

A. Intragovernmental Cost	\$	4,010,826,438.09
B. Nonfederal Cost		10,250,245,662.79
C. Total Cost	\$	14,261,072,100.88

2. Earned Revenue

A. Intragovernmental Revenue	\$	(63,575,871.77)
B. Nonfederal Revenue		(20,946,374.55)
C. Total Revenue	\$	(84,522,246.32)

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

As of September 30	2012
3. Losses/(Gains) from Actuarial Assumption Changes for Military Retirement Benefits	\$ 0.00
4. Costs Not Assigned to Programs	\$ 0.00
5. (Less: Earned Revenues) Not Attributed to Programs	\$ 0.00
Total Net Cost	\$ 14,176,549,854.56

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

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

Note 20. Disclosures Related to the Statement of Budgetary Resources

As of September 30	2012
1. Net Amount of Budgetary Resources Obligated for Undelivered Orders at the End of the Period	\$ 5,167,069,972.60
2. Available Borrowing and Contract Authority at the End of the Period	0.00

Note 21. Reconciliation of Net Cost of Operations to Budget

As of September 30

2012

Resources Used to Finance Activities:

Budgetary Resources Obligated:

1. Obligations incurred	\$	19,460,647,301.90
2. Less: Spending authority from offsetting collections and recoveries (-)		(2,213,461,620.76)
3. Obligations net of offsetting collections and recoveries	\$	17,247,185,681.14
4. Less: Offsetting receipts (-)		0.00
5. Net obligations	\$	17,247,185,681.14

Other Resources:

6. Donations and forfeitures of property	\$	0.00
7. Transfers in/out without reimbursement (+/-)		(1,753,175.06)
8. Imputed financing from costs absorbed by others		316,191.81
9. Other (+/-)		16,190,815.83
10. Net other resources used to finance activities	\$	14,753,832.58
11. Total resources used to finance activities	\$	17,261,939,513.72

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:		
a. Undelivered Orders (-)	\$	(3,025,234,078.41)
b. Unfilled Customer Orders		35,707,372.77
13. Resources that fund expenses recognized in prior Periods (-)		(91,762,719.56)
14. Budgetary offsetting collections and receipts that do not affect Net Cost of Operations		0.00
15. Resources that finance the acquisition of assets (-)		0.00
16. Other resources or adjustments to net obligated resources that do not affect Net Cost of Operations:		
a. Less: Trust or Special Fund Receipts Related to exchange in the Entity's Budget (-)		0.00
b. Other (+/-)		(14,437,640.77)
17. Total resources used to finance items not part of the Net Cost of Operations	\$	(3,095,727,065.97)
18. Total resources used to finance the Net Cost of Operations	\$	14,166,212,447.75

Note 21. Reconciliation of Net Cost of Operations to Budget, Cont.

As of September 30

2012

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	\$	6,740,209.23
20. Increase in environmental and disposal liability		0.00
21. Upward/Downward reestimates of credit subsidy expense (+/-)		0.00
22. Increase in exchange revenue receivable from the public (-)		(8,733,763.30)
23. Other (+/-)		11,922,439.78
24. Total components of Net Cost of Operations that will Require or Generate Resources in future periods	\$	9,928,885.71

Components not Requiring or Generating Resources:

25. Depreciation and amortization	\$	107.04
26. Revaluation of assets or liabilities (+/-)		0.00
27. Other (+/-)		
a. Trust Fund Exchange Revenue		0.00
b. Cost of Goods Sold		0.00
c. Operating Material and Supplies Used		0.00
d. Other		408,414.06
28. Total Components of Net Cost of Operations that will not Require or Generate Resources	\$	408,521.10
29. Total components of Net Cost of Operations that will not Require or Generate Resources in the current period	\$	10,337,406.81
30. Net Cost of Operations	\$	14,176,549,854.56

Note 22. Disclosures Related to Incidental Custodial Collections

The Army National Guard does not have any incidental custodial collections.

Note 23. Earmarked Funds

The Army National Guard did not have any earmarked funds in FY12.

Note 24. Fiduciary Activities

There are no disclosures related to fiduciary activities.

Note 25. Other Disclosures

The Army National Guard has no other disclosures.

Note 26. Restatements

The Army National Guard has no restatements.

Appendices

A. Information Papers

- ARNG Distributed Learning
- ARNG Environmental Program
- ARNG Job Connection Education Program
- ARNG Operational Force
- ARNG Periodic Health Assessment (PHA)
- ARNG Professional Education Center (PEC)
- ARNG Resilience, Risk Reduction, and Suicide Prevention
- Community-Based Warrior Transition Units (CBWTUs)
- Employer Partnership of the Armed Forces
- Fielding of Lakota UH-72A Helicopter (UH-72A) to ARNG
- Fielding of UH/HH-60M Blackhawk Helicopters to ARNG
- Guard Apprenticeship Program Initiative
- National Guard State Partnership Program: Global Engagements

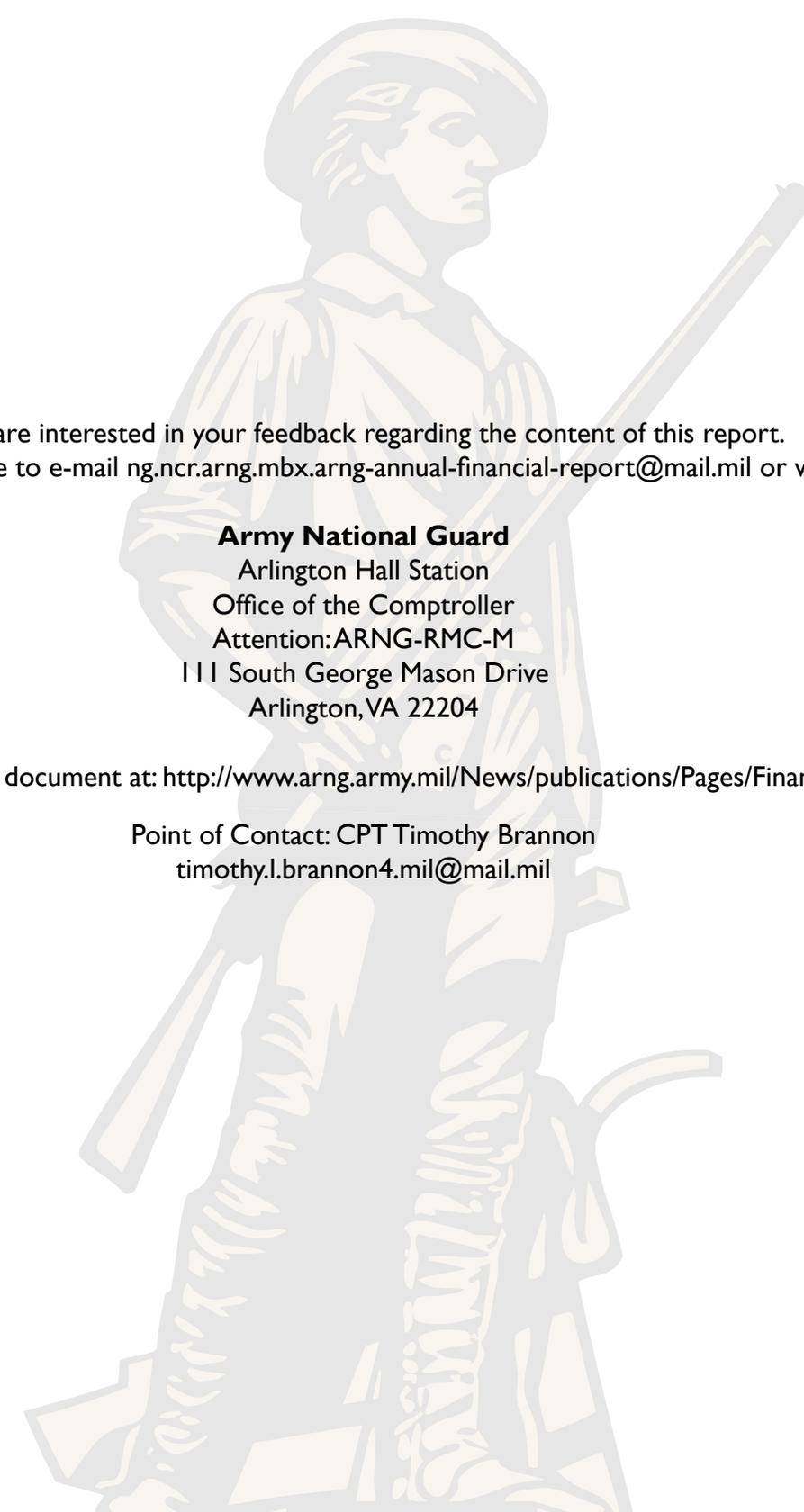
The Information papers and state information can be found at
<http://www.arng.army.mil/News/publications/Pages/FinancialReport.aspx>

B. Acronyms

AATS	ARNG Aviation Training Site	CAB	Combat Aviation Brigade
ABCT	Armor Brigade Combat Team	CBRNE	Chemical, Biological, Radiological, Nuclear and Explosive
AC	Active Component	CBT	Computer-Based Training
ADA	Air Defense Artillery	CCT	Contingency Contracting Team
ADCCP	Army Data Center Consolidation Plan	CDU	Critical Dual-Use
ADT	Agribusiness Development Team	CERFP	Chemical Enhanced Response Force Package
AFP	Annual Funding Program	CIO	Chief Information Officer
AGR	Active Guard Reserve	COCOM	Combatant Commander
AHS	Arlington Hall Station	CONUS	Continental United States
AIT	Advanced Individual Training	COOP	Continuity of Operations Program
ANG	Air National Guard	COTS	Commercial off the Shelf
APEC	Asia Pacific Economic Cooperation	CST	Civil Support Team
ARFORGEN	Army Force Generation	CTC	Combat Training Center
ARNG	Army National Guard	CYBERCOM	Cyber Command
ARS	Armored Reconnaissance Squadron	DC	Data Center
ASIST	Applied Suicide Intervention Skills Training	DCC	Division Coordination Capability
ASSC	Army Service Component Command	DFAS	Defense Finance and Accounting Service
AT	Antiterrorism	DL	Distributed Learning
ATTS	Asymmetric Threat Training Support	DoD	Department of Defense
B	Billion	DSCA	Defense Support of Civil Authorities
BCT	Brigade Combat Team	EAATS	Eastern ARNG Aviation Training Site
BOLC	Basic Officer Leader Course	EOH	Equipment on Hand
BOS	Budget Operating System	ERP	Enterprise Resource Planning
C2CRE-B	Command and Control CBRNE Response Element-Bravo	FAC	Family Assistance Center

FBWT	Fund Balance with Treasury	MEP	Mission Equipment Package
FTA	Federal Tuition Assistance	MERHC	Medicare Eligible Retiree Health Fund Contribution
FTS	Full-Time Support		
FWAATS	Fixed-Wing ARNG Aviation Training Site	MET	Military Engagement Team
FY12	Fiscal Year 2012	MFO	Multinational Force and Observer
FYDP	Future Years Defense Program	MI	Military Intelligence
GAAP	Generally Accepted Accounting Principle	MILTECH	Military Technician
GED	General Education Development	MOS	Military Occupational Specialty
General PP&E	General Property, Plant & Equipment	MRT	Master Resilience Trainer
GFEBs	General Fund Enterprise Business System	MTOE	Modification Table of Organization and Equipment
GMD	Ground Missile Defense	MUTAs	Multiple Unit Training Assembly
HAATS	High-altitude ARNG Aviation Training Site	MUTC	Muscatatuck Urban Training Center
HD	Homeland Defense	MWD	Military Working Dog
HQDA	Headquarters, Department of the Army	NATO	North Atlantic Treaty Organization
HRF	Homeland Response Force	NCC	Network Computer Center
IBCT	Infantry Brigade Combat Team	NCR-IADS	National Capital Region-Integrated Air Defense System
IDT	Inactive Duty Training	NDAAs	National Defense Authorization Act
IED	Improvised Explosive Device	NET	New Equipment Training
IET	Initial Entry Training	NGAUS	National Guard Association of the United States
ILT	Instructor-Led Training		
IMR	Individual Medical Readiness	NGB	National Guard Bureau
INCAP Pay	Incapacitation Pay	NGCC	National Guard Coordination Center
IO	Information Operations	NGREA	National Guard and Reserve Equipment Appropriation
IPPS-A	Integrated Personnel and Pay System—Army	NSSE	National Special Security Event
IPT	Integrated Process Team	NTC	National Training Center
IRT	Innovative Readiness Training	OCIE	Organization Clothing and Individual Equipment
IT	Information Technology		
ITAM	Integrated Training Area Management	OCO	Overseas Contingency Operations
ITRCB	IT Requirements Control Board	OCONUS	Outside the Continental United States
IUID	Item Unique Identification	OEF	Operation Enduring Freedom
JFHQ	Joint Force Headquarters	OIF	Operation Iraqi Freedom
JITEC	Joint Interagency Training and Education Center	OMA	Operation and Maintenance, Army
JRTC	Joint Readiness Training Center	OMB	Office of Management and Budget
KFOR	Kosovo, Force	OMNG	Operation and Maintenance, Army National Guard
LE	Law Enforcement		
LOD	Line of Duty	OND	Operation New Dawn
M	Million	OPTEMPO	Operational Tempo
MCNG	Military Construction, National Guard	OSAA	Operational Support Airlift Agency
MCTSP	Mission Command Training Support Program	OSACOM	Operational Support Airlift Command
MDEP	Military Decision Package	PARP	Post-Appropriation Reconciliation Process
MEB	Maneuver Enhancement Brigade	PBAC	Program Budget Advisory Committee
MEDCHART	Medical Electronic Data Care History and Readiness Tracking	PCA	Posse Comitatus Act
MEDEVAC	Medical Evacuation	PEC	Professional Education Center
		PS	Physical Security
		PTAE	Premobilization Training Assistance Element

R&M	Restoration and Modernization
RC	Reserve Component
RFI	Rapid Fielding Initiative
RHRP	Reserve Health Readiness Program
RTLP	Range and Training Land Program
S&S	Security and Support
SAD	State Active Duty
SAG	Subactivity Group
SAR	Search and Rescue
SBR	Statement of Budgetary Resources
SFG	Special Forces Group
SHARP	Sexual Harassment Assault Response and Prevention
SIDPERS	Standard Installation/Division Personnel System
SOD	Special Operations Detachment
SOF	Special Operations Force
SPP	State Partnership Program
SRM	Sustainment, Restoration and Modernization
SRU	Separate Reporting Unit
STANFINS	Standard Finance System
STSP	Soldier Training Support Program
TAB	Theater Aviation Brigade
TAG	The Adjutant General
TAPDB-G	Total Army Personnel Database-Guard
TASM-G	Theater Aviation Sustainment Maintenance Group
TDA	Table of Distribution and Allowances
TDLP	Total Defense Language Program
TUAS	Tactical Unmanned Aviation System
U.S.C.	United States Code
UASRFC	Unmanned Aircraft System Regional Flight Center
USAFRICOM	U.S. Africa Command
USAR	U.S. Army Reserve
USNORTHCOM	U.S. Northern Command
USPFO	U.S. Property and Fiscal Officer
USSOCOM	U.S. Special Operations Command
VA	Department of Veterans Affairs
VCP	Visitor Control Program
WAATS	Western ARNG Aviation Training Site
WTC	Warrior Training Center
XCTC	Exportable Combat Training Capability
YRRP	Yellow Ribbon Reintegration Program



We are interested in your feedback regarding the content of this report.
Please feel free to e-mail ng.ncr.arng.mbx.arng-annual-financial-report@mail.mil or write to:

Army National Guard
Arlington Hall Station
Office of the Comptroller
Attention: ARNG-RMC-M
111 South George Mason Drive
Arlington, VA 22204

You may also view this document at: <http://www.arng.army.mil/News/publications/Pages/FinancialReport.aspx>

Point of Contact: CPT Timothy Brannon
timothy.l.brannon4.mil@mail.mil



Our Mission

The Army National Guard, a community-based operational force that serves as a primary combat reserve of the Army, provides ready units of support global and domestic requirements.

Our Vision

A premier, unit-based force comprised of resilient, adaptable, relevant and ready Citizen Soldiers accessible for war and domestic crises.

ALWAYS READY, ALWAYS THERE