



ANNUAL REPORT

ASSOCIATION OF THE
UNITED STATES ARMY

2018/19



**ASSOCIATION OF THE
UNITED STATES ARMY**

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LETTER FROM THE PRESIDENT & CEO

Fiscal Year 2019 was yet another superb year for our Association. Membership continued to grow, our educational programming saw some new and innovative progress and our operating revenue will exceed expenses by approximately \$4 million. I am exceedingly proud of the whole team effort that contributed to these successes.

AUSA's sustained focus on membership has driven us above 146,000. While individual membership has grown, we haven't increased as much as I'd like to see in gaining soldiers and Army civilians to join us. The general decline in Community Partners is a trend that we must pay attention to and reverse. Community Partners are a vital link between our Association and local communities across the nation. On a more positive note, the fact that all Association Members have renewed their agreements with AUSA is a great testament to our reputation and to the value we bring to other like-minded associations.

The 2018 Annual Meeting was exceptionally successful by any measure – increased attendance, increased exhibit sales, higher revenue above budget, controlled expenses, new events and highly effective training for AUSA's volunteer leaders. Those who were present will long remember Martha Raddatz's memorable presentation as she accepted The George C. Marshall Medal. No one has done more to connect the Army with Americans.

In Detroit, our first Artificial Intelligence/Autonomous Systems Symposium exceeded all expectations in terms of attendance and revenue. Our FY2019 focus has also been on professionalizing business practices across the association, including selecting a new Association Management System and starting the implementation process.

Our Institute for Land Warfare (ILW) has continued with the successful Senior Executive Roundtables, attracting attendance by the right senior leaders to make these events increasingly valuable to the Army and to industry. We have re-energized the AUSA book program, a critical element of our professional development and education mission. The Medal of Honor graphic novel series has proven to be quite popular. ARMY Magazine remains AUSA's highest rated member benefit. AUSA's ILW team have led the way on AUSA's podcasts, attaining outreach among some of our target audiences. We have as well increased our Capitol Hill activity becoming more active and more visible than has been the case for several years. And, AUSA's Family Readiness Programs remain highly respected and effective, recognizing that Family Readiness *is* Army Readiness.

A superb year all the way around, thanks to the incredibly talented staff at AUSA National, we are stronger now than when the year began. That's our goal, to be always improving. FY19 showed how we can do this when we all work together.

Sincerely,



Carter F. Ham
General, U.S. Army, Retired



GEN Carter F. Ham, U.S. Army,
Retired, President & CEO, AUSA

PROFESSIONAL DEVELOPMENT

As the professional association of the U.S. Army, AUSA continues to host a growing array of meetings and exhibits for the military, industry, academia and Army supporters to share ideas about current and future programs.

ANNUAL MEETING AND EXPOSITION

The centerpiece remains October's Annual Meeting and Exposition, attended in 2018 by 31,000 people after the fourth consecutive year of growth.

A big reason for the high attendance was to learn more about what Secretary of the Army Mark T. Esper described as a "renaissance," where the Army had a chance, after 17 consecutive years of war, to chart a new path as part of a 10-year plan to be bigger, better trained and better equipped. Esper and senior Army leaders dedicated to different parts of Army modernization and reform spoke at the conference, took questions and shared ideas that embraced Esper's call to "look at everything differently."

In addition to scene-setting keynote speeches by Esper and Army Chief of Staff Gen. Mark A. Milley, the Homeland Security Secretary and Deputy Defense Secretary spoke at AUSA 2018, as did the commanders of Army Forces Command, Army Futures Command, Army Materiel Command, Army Training and Doctrine Command, and the general officers the Army put in charge of its cross-functional teams, responsible for laying the course for Army modernization. "It is an exciting time to be in the Army," Esper said.

There were 10 Contemporary Military Forums at the Annual Meeting, plus one forum combining defense and homeland security speakers, all hosted by AUSA's Institute of Land Warfare, as well as hundreds of related events. An author's forum featured seven books produced by the AUSA Book Program, the Army's Warrior's Corner exhibition included a full calendar of presentations about current and planned programs, and Innovator's Corner on the exhibit floor gave competitors in the Army's xTechSearch competition a chance to pitch technological innovations that would address Army capability gaps.

GLOBAL FORCE

The 2018 and 2019 Global Force Symposium and Exposition events in Huntsville, Alabama, were both big. The 2018 event, heavily focused on Army Futures Command, was attended by 6,470 people, a 20 percent attendance increase over 2017, as the Army's senior civilian and military leaders talked about modernizing and equipping the force. The 2019 show was even bigger with 6,883 attendees, and it focused on the Army's evolving multi-domain operations concept, which is the foundation of the Army's modernization plan.

LANPAC

The annual international land forces event in Hawaii, LANPAC, was also big in 2018 and bigger in 2019. More than 1,500 people attended in 2018 symposium and exposition, where 26 nations met to talk about multinational security and operations in peace and war. Gen. Robert B. Brown, U.S. Army Pacific commanding general, spoke of the need for multilateral operations. "None of us can go it alone. It does not make sense for any of us to try to go it alone," Brown said.



Opening ceremony of the 2018 Annual Meeting of the Association of the United States Army.

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Brown also spoke at LANPAC 2019, which was attended by more than 1,600 people, saying land forces are critical in the Indo-Pacific, despite all of the water. “Boots on the ground are the greatest signal of resolve,” he said.

MEDICAL SYMPOSIUM & EXPOSITION

AUSA returned to the Henry B. Gonzalez Convention Center in San Antonio, Texas, in June 2018 to talk about Army medicine. The two-day event focused on leading practices and innovations, and on challenges facing the Army and the Joint Force. Speakers included military medical community leaders such as Public Health Service Vice Adm. Jerome M. Adams, who is the 20th Surgeon General of the United States, and Lt. Gen. Nadja Y. West, Army Surgeon General and U.S. Army Medical Command commander.

AUTONOMY SYMPOSIUM & EXPOSITION

In November 2018, AUSA kicked off this new event at the Cobo Center in Detroit, Michigan, to showcase and explore ways the U.S. Army is developing critical capabilities in robotics, autonomy, machine learning and artificial intelligence. The key objective of AUSA’s Army Autonomy and Artificial Intelligence Symposium and Exposition was to provide an open forum for attendees to interact and participate in discussions about the Army’s efforts to develop autonomous capabilities in all domains. It will also provide a platform for industry partners to demonstrate breakthroughs that could help the Army take full advantage of their technologies across all Army requirements.

HOT TOPICS

One-day Hot Topic forums focused on narrow subjects continue to be popular with the Army and industry partners. These include annual events related to air and missile defense, aviation, contracts, cyber, installations management and sustainment.

ILW BREAKFASTS

This monthly series features guest speakers from the Army, DoD and congressional leadership and offers our attendees an unparalleled opportunity to network with key leaders. Army Chief of Staff Gen. Mark A. Milley kicked off the series in January 2018 and again in January 2019. As expected, he attracted a large crowd interested in hearing his vision for the future.

LEMNITZER LECTURES & ROGERS FORUMS

The popular General Lyman L. Lemnitzer Lecture series features authors presenting their recently published books on Army and/or defense events, allowing the audience to discuss such matters with the author and each other as well as obtain a signed copy of the author’s book. The General Bernard W. Rogers Strategic Issues Forum brings high-level speakers to AUSA Headquarters to discuss current security topics.



General John M. Murray, commanding general of U.S. Army Futures Command, speaks at the inaugural AUSA Army Autonomy & Artificial Intelligence Symposium & Exposition in Detroit, Michigan.



LTG Thomas Seamands, Deputy Chief of Staff for Personnel, speaks at the General Bernard W. Rogers Strategic Issues Forum, 11 June 2019.

MEMBERS, PARTNERS & CHAPTERS

AUSA continued to grow its individual membership base in 2018 and the first half of 2019.

- A 32.7 percent increase in overall membership to a more than 20-year high of 145,430 was primarily a result of expanding the initiative to team with other associations and extend AUSA membership to their members.
- Establishment of new chapters — the Villages Chapter in Central Florida and the Hellenic Chapter in Greece — brought the total to 123 chapters.
- During 2018, the Region Presidents and AUSA National began a review of the chapters to identify those facing challenges in membership, volunteer leadership and programs to assist them or reorganize them under other chapters.

145,430
TOTAL MEMBERS

14,643
TOTAL LIFE MEMBERS

INDIVIDUAL MEMBERS

AUSA maintained its 2017 rates for multiyear individual memberships (\$40 for two years, \$75 for five years and \$400 for life, as well as the discounted rates of \$10 for junior enlisted/cadet/equivalent government civilian paygrade and \$15/\$30 for family members) through 2018.

In 2018, 19,089 members joined or renewed their membership. The renewal rate for individual members in 2018 was 41.6 percent, with 7,605 members renewing. During this time, 11,484 new individual and life members joined AUSA, with 26 percent at the two-year discounted rate, 53 percent at the non-discounted two-year rate and 16 percent at the five-year rate.

By mid-June 2019, 6,491 members joined or renewed with a greater percentage (38.5 percent) at the \$10 rate.

Life membership continued its steady increase, reaching 14,643 members by mid-June 2019 after 28 consecutive months of growth. This is a 4 percent increase since Jan. 1, 2018.

25,580
NEW OR RENEWED INDIVIDUAL
MEMBERS SINCE 1 JANUARY 2018

ASSOCIATION MEMBERS

The addition of the National Infantry Association, the Field Artillery Association, the Army Strategist Association, The Association of Quartermasters, The OCS Alumni Association and the U.S. Army Ranger Association added more than 30,000 members and set the stage for other branch and regimental associations to team with AUSA. The total number of Association Member organizations rose to 13 by mid-June 2019, with four in discussion.

NATIONAL AND COMMUNITY PARTNERS

AUSA had 2,759 Community Partners and 557 National Partners by mid-June 2019. This is a 7.5 percent increase in National Partners but a 9.5 percent decrease in Community Partners since Jan. 1, 2018.

557
NATIONAL PARTNERS

Despite the increase in National Partner companies, the number of National Partner members (those selected by the companies to fill their 50 membership spaces) declined by 6.6 percent, while the Community Partners saw an 8.8 percent drop in their members over this 18-month period.

2,759
COMMUNITY PARTNERS

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We have implemented a program to provide chapters with leads to local companies that are receiving contracts from the Army, so they can be recruited to become partners. We also are improving the outreach to Community Partners to encourage retention of existing members and educating the chapters on improving programs locally to retain them. There are plans to reach out to more lapsed Community Partners to get them to rejoin.

TRAINING

To help chapter volunteer leaders, AUSA provides annual training, resources and tools.

New chapter presidents and vice presidents for membership or programs receive residence training at AUSA National Headquarters. Additionally, an afternoon of training was conducted at the Annual Meeting and Exposition for region presidents.

To model the AUSA Skills Knowledge (ASK) program, which was unveiled in 2017 to help chapters increase their membership, AUSA National worked alongside several chapters to plan, organize and conduct events for increasing membership. The ASK toolkit was refined throughout the year to capture best practices from the chapters and provide them additional tools and techniques.

CHAPTER HONORS

Best Chapter awards for 2018 were received by the George Washington Chapter (Washington, D.C., and Northern Virginia), Monmouth Chapter (New Jersey), Columbia River Chapter (Oregon), COL Edward Cross Chapter (New Hampshire), Charleston Chapter (South Carolina), and the National Training Center Center-High Desert (California). The Best Overseas Chapter was the GEN Creighton W. Abrams Chapter (Germany).

MARKETING

Marketing continued to build a cache of branded tools to address all stages of the membership lifecycle: brand awareness, recruitment, acquisition, onboarding, membership engagement, renewal and retention.

These tools complement items in the latest version of the ASK toolkit and include AUSA promotional campaigns (members-only scholarships, cadet/junior rates and family add-ons), complimentary branded merchandise, events marketing guidance, tabling and trade-show resources, branded content lists, direct mail and email samples, social media digital kits and earned media guidance.

Marketing tools currently focus on a mix of low- to no-cost opportunities supplementing strategic paid advertising placement to Army-only audiences. From leveraging cross-promotional partnerships with Association Members, taking advantage of AUSA sponsorship visibility opportunities, and diversifying campaign materials for different marketing platforms, AUSA will continue to identify and pursue economic and targeted marketing options as part of a greater emphasis on delivering proactive and personalized marketing services to AUSA volunteer leaders.

AUSA recognizes volunteer leaders as its most dedicated resource for creating positive and impactful membership experiences and will continue to invest in educational resources that emphasize DoD policy compliance and easy-to-use marketing products.

AUSA fiscal year 2020 marketing goals will shift from a shorter, business-to-consumer creative and emotionally driven marketing model to a longer-term, rational and numbers-

WHY JOIN AUSA?
TREMENDOUS SUPPORT AT INCREDIBLE VALUE

FOR \$1.67 A MONTH OR LESS

GIVE
Support
Knowledge
Talents
Time

GET
Educational Resources
Army News & Publications
Conferences & Events

SAVE
University Courses
Office Supplies
Event Tickets
Electronics

Member Scholarships
Professional Networks
Insurance & Dental
Representation
Freight & Shipping
Hotels

By the Year 50 YEARS, AUSA has contributed towards...
60,000+ Army Active and Reserve
\$5,000,000+ in Scholarships, Awards, & Programs
Centuries of Army History

JOIN TODAY AT WWW.AUSA.ORG/JOIN OR CALL 1-855-246-6268

The AUSA Value Card, which helps members understand the benefits of their membership.

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driven business-to-business plan. This shift will expand on current baseline materials to bring added value to the AUSA Industry Partner program.

Overall, the campaign will emphasize the value of AUSA industry resources, Army networking opportunities, employee training and education, marketing opportunities, influence, industry news, community recognition, and valuable cost savings.

EXHIBITS & EXHIBITORS

Interest in exhibits at AUSA events remains very strong, regularly meeting or exceeding projections.

2018 ANNUAL MEETING

The Army and industry made use of every corner of the Walter E. Washington Convention Center during the 2018 annual meeting. Most of the space was sold out over five exhibit halls, with 663 exhibitors in 316,926 square feet of space.

There were several highlights, including 10 international pavilions featuring small to mid-sized companies from Australia, France, Germany, Greece, Israel, Japan, Korea, Norway, Poland and Switzerland. This was Japan's first organized pavilion at the AUSA annual event.

Additionally, AUSA partnered with the nonprofit American Freedom Foundation for Warriors to the Workforce, an effort that gives service members, veterans and their families an opportunity to talk with employers and participate in workshops.

A Department of Veterans Affairs Pavilion provided an opportunity for service members and veterans to talk with VA benefits experts.

Two Small Business Pavilions were filled with more than 60 businesses.

GLOBAL FORCE

At the 2018 event, 201 exhibitors filled 58,200 square feet of space in the Von Braun Center in Huntsville, Alabama. For 2019, there were 182 exhibitors in 58,500 square feet of space.

LANPAC

In 2018, 67 exhibitors filled 9,250 square feet of space at the Sheraton Waikiki in Honolulu. In 2019, 73 exhibitors filled 9,800 square feet.

ARMY AUTONOMY

At the inaugural Army Autonomy and Artificial Intelligence Symposium and Exposition in November at the Cobo Center in Detroit, there were 27 exhibitors in 4,700 square feet.

INTERNATIONAL EXHIBITS

At SOFEX 2018 in Amman, Jordan, there were 54 exhibitors in 1,260 square meters of space in the AUSA-organized USA Security and Defense Pavilion

At EUROSATORY 2018 in Paris, there were 118 exhibitors in 2,609 square meters at the USA Pavilion.

At IDEX 2019 in Abu Dhabi, United Arab Emirates, there were 117 exhibitors in 4,293 square meters in the USA Pavilion.



Exhibit hall at the 2018 AUSA Annual Meeting.

INFORMATION TECHNOLOGY

AUSA's Information Technology Department had a busy and productive 18 months, with some major systems improvements to further modernize business systems.

The largest project has been the identification and implementation of a new Association Management Software (AMS) to be used by staff, members, chapters and regions to enhance our engagement with AUSA members and better serve their needs. This software will be rolled out in AUSA's 2020 fiscal year and should have a positive impact on the efficiency and effectiveness of the organization.

The platform is a Salesforce-based application called Fonteva. Improvements expected for chapters include a centralized communications center and email integration, management of corporate and national partner memberships, chapter events and a more flexible system for the future.

New enhanced security awareness training was also implemented to improve staff's ability to identify and respond to phishing attacks and other malicious attempts to compromise our network. Password management software and various improvements to our Office 365 configuration have also enhanced the security of our network.

Disaster Recovery as a Service (DRaaS) is the replication and hosting of physical or virtual servers by a third party to provide failover in the event of a man-made or natural catastrophe. DRaaS was implemented for all mission critical applications at AUSA Headquarters in late 2018.

Skype for Business, an enterprise Unified Communications platform, fully integrates with Office 365, providing Instant Messaging, Presence, Voice and Video Calling, Desktop Sharing, Web Conferencing and Mobility capabilities for our headquarters staff. A hosted Skype for Business platform was implemented in January 2019, eliminating the expense of an on-premises system.

To aid chapters, AUSA continued creating and hosting chapter webpages on the AUSA.org website. In addition, Office 365 email addresses are available to chapter leaders for communication and file sharing capabilities.

In late 2019, we began assisting the Meetings team with implementation of eShow for our event websites, exhibit sales floor planning and management, and on-site exhibit sales support beginning with the Army Autonomy and Artificial Intelligence show in November 2019 (fiscal 2020). eShow will replace EXPOCAD and Market Smart applications.

To assist the updated AUSA Scholarship program, an online application and review system was implemented. The digital-only application unified the process for applicants and allowed for a paper-free evaluation and review process.

Technology staff assisted with a wide variety of digital-related improvements made by other departments. These projects included Alexa Flash Briefing, podcasting, AUSA Extra, family membership applications, graphic novels, live streaming and event support.



NCO & SOLDIER PROGRAMS

With two goals in mind — recognizing soldiers and expanding awareness of AUSA — our NCO and Soldier Programs staff has focused on things that are old, things that are new and things that are green.

The “green” is the new Army Greens uniform, which has been the subject of a lot of interest and questions from around the Army that AUSA has helped to answer. The iconic World War II-style uniform is being phased in with a 2028 deadline for it to be the everyday business dress for soldiers. The long transition was put in place to hold down costs while also accommodating soldiers nearing retirement from needing to switch uniforms.

The “old” is using the tried and true method of getting out to see soldiers, families and AUSA region and chapter representatives. Visits often focused on recognizing soldier achievements and preparing for the transition to civilian life.

AUSA also continued to support Sgt. Maj. of the Army Daniel A. Dailey and maintained support and sponsorship of soldiers and NCOs, especially those related to leadership like the Senior Enlisted Training and Leadership Development Conference attended by U.S. and international enlisted leaders, and events such as the Best Warrior Competition.

The “new” is our expansion of communications to include podcasts in addition to the articles, publications and a popular calendar that we produce. Podcast topics have included the Army Greens, details about the new Army Combat Fitness Test, opportunities to get civilian credentials for Army-learned skills, and upcoming changes to the NCO evaluation system.

Soldier Today, a twice-weekly digital newsletter, continues to be popular, with its emphasis on leadership and professional development, history, nutrition, fitness and soldiering tips, all with a little humor included.

Two other highly valued publications — Campaign Streamers of the United States Army and The Sergeants Major of the Army Book on Leadership and the Profession of Arms — were updated, and the 2019 calendar from AUSA NCO and Soldier Programs, with quotes from current and former senior enlisted leaders from the Regular Army, Army National Guard and Army Reserve, has been in high demand.

Additionally, we send daily messages to Army command sergeants major with the day’s news highlights in an effort to keep them educated and informed — and aware of AUSA. We’ve also experienced great success with Facebook and Twitter in keeping followers informed of important developments, and we also use LinkedIn and Rally Point to tell the Army and AUSA story.

Our monthly articles in AUSA’s membership newspaper spotlights soldier and NCO excellence, visits to chapters and installations, and the fundamental value of America’s Army.

In everything we do, NCO and Soldier Programs’ emphasis is on reinforcing the association’s history and mission and the Army’s position as the foundational military force of our nation.



Sergeant Major of the Army Daniel A. Dailey speaks at the NCO/Soldier of the Year Luncheon at the 2018 AUSA Annual Meeting.

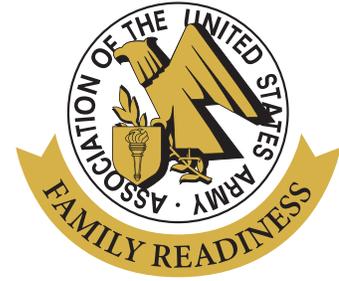
FAMILY READINESS

Focusing on families remains a high priority for AUSA and Army leaders.

The popular and well-attended town hall meeting with Army leaders has become a mainstay of the AUSA Annual Meeting and Exposition — and in 2018 included a brief talk by Karen Pence, the wife of Vice President Mike Pence — but we have been doing far more.

- At the March 2019 Global Force Symposium and Exposition in Huntsville, Alabama, AUSA hosted a family-oriented forum on financial education with speakers from the USAA Educational Foundation. A similar forum was hosted in May at Schofield Barracks in Hawaii for soldiers and families in conjunction with the LANPAC Symposium and Exposition. Six hundred soldiers were educated during that three-day period.
- In April, financial readiness was also part of a military spouse summit in New Jersey, co-hosted with AUSA's Dix Chapter.
- We continued our partnership with Operation Deploy Your Dress for the second annual Washington, D.C., pop-up event. The event, hosted at AUSA National Headquarters, allowed military ID cardholders to shop for new and gently used formal attire for both women and men at no cost. More than 600 dresses were “deployed” in one afternoon.
- In May, we hosted Army mothers at the sixth annual Mother's Day brunch, which we co-hosted with the Washington, D.C., Marriott Marquis, the official hotel of AUSA's Annual Meeting and Exposition.
- We publish a quarterly newsletter for AUSA families and maintain an active social media program.

The town hall meeting in October 2018 was a big event made even larger by live streaming that allowed for thousands of other viewers. As a follow-up, Army leaders returned to AUSA in February 2019 for a rare family initiatives forum, with Secretary of the Army Mark T. Esper, Vice Chief of Staff Gen. James C. McConville and Sgt. Maj. of the Army Daniel A. Dailey talking about improving housing, moving, spouse employment, child care and other quality of life initiatives. “We want your feedback and your help,” said McConville, who will become the Army's next chief of staff.



Family Readiness supports Operation Deploy Your Dress at Fort Stewart, Georgia, on 11 March, 2019.

GOVERNMENT AFFAIRS

AUSA has remained engaged on Capitol Hill and in the Pentagon, pushing a focused message to Congressional and Defense Department leaders on behalf of the Total Army, soldiers, families and our members, and our effort succeeded on many fronts.

TIMELY AND ADEQUATE RESOURCES FOR THE ARMY

AUSA has long advocated for Congress' return to "regular order" in the authorization and, especially, in the appropriations process. Through a series of meetings with key members of Congress and committee staff, we reinforced that message.

Our efforts paid off when Congress passed a two-year defense budget ushering in a new wave of stability for military spending. That success was followed by passage of the fiscal 2019 John S. McCain National Defense Authorization Act (NDAA) and the fiscal 2019 defense appropriations bill, both approved before the start of the new fiscal year. In fact, it was the first time in a decade the Defense Department started the fiscal year operating under regular funding and not crippling continuing resolutions.

VOICE FOR THE ARMY

For the Army to maintain its technological edge over potential adversaries, it identified six priorities necessary to modernize its forces and equipment with improved capabilities: long-range precision fires, next generation combat vehicle, future vertical lift, network, air and missile defense, and soldier lethality. Balanced with the modernization plan, Army leaders identified readiness, force structure and a sufficient and fully resourced end strength as necessary components to achieve maximum results.

To unify the modernization effort, the Army created the Army Futures Command, which will partner with small businesses, innovators, entrepreneurs, inventors, venture capitalists, academic institutions and the defense industry to create ideas and develop solutions for the Army and soldiers.

Through a series of meetings with top Congressional leaders and professional staff, AUSA was instrumental in clearly conveying the Army's goal. We hosted a large delegation of professional staff from the defense oversight committees at our Global Force Symposium in Huntsville, Alabama, which served as a platform to introduce the new Futures Command. The event gave the committee staff an opportunity to interact with and participate in one-on-one discussions with Army and industry leaders about the Army's initiative and how Congress could assist.

Ultimately, Congress supported the Army Futures Command and the Army's plan by authorizing and funding the modernization of M1 Abrams tanks, Bradley Fighting Vehicles, armored multipurpose vehicles, improved recovery vehicles, and Joint Light Tactical Vehicles.

AUSA endorsed an increase in the Army's end strength and pushed that message to Hill leaders. In a letter to Armed Services Committee leaders, we reiterated our support "in order to meet national security strategy requirements and dwell-time needs as our forces prepare for and respond to security challenges around the globe." In response, the NDAA authorized an increase in Regular Army troop numbers from 483,500 to a new end strength



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of 487,500. End strength increases were fully funded in the fiscal 2019 defense appropriations bill.

SUPPORT FOR THE SOLDIER

The defense authorization and appropriations bills fully funded an AUSA-supported 2.6 percent pay raise for military personnel equal to the annual increase in the Employment Cost Index (ECI).

AUSA opposed a previously legislated 1 percent cut to Basic Allowance for Housing. Lawmakers voted to block it.

We advocated for the expansion of opportunities for service members to gain professional credentials unrelated to military training by supporting a program that allows military personnel to earn professional and technical credentials while still serving. The program increases soldiers' employability upon transitioning from the Army.

AUSA supported the expansion of the Transition Assistance Program (TAP). Congress voted to extend availability of Military OneSource services to members and immediate families for a period of at least one year following separation.

Provisions championed by AUSA and approved by Congress broadened noncompetitive hiring authority of military spouses by federal agencies. Originally, the authority was reserved exclusively for military spouses who had relocated within two years due to military orders. Under the new legislation, the noncompetitive hiring authority was expanded to five years for all spouses, regardless of whether they are relocating.

The NDAA allocated \$40 million in Impact Aid for schools with significant numbers of military children. AUSA was opposed to proposals that would have cut funds from Impact Aid to pay for educational savings accounts for military children. The proposal failed, and Impact Aid funds remained intact, with \$10 million specifically targeted for schools with military students who have severe disabilities.

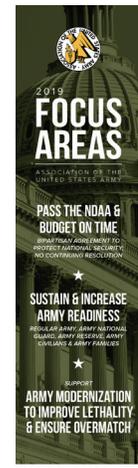
AUSA supported and Congress approved expansion of access to Morale, Welfare and Recreation, commissary and Post Exchange privileges to Purple Heart recipients, service-connected disabled veterans, former POWs, and their caregivers.

AUSA pressed Congress and the Departments of Defense, Veterans Affairs and Education to improve educational programs for veterans and service members. Some of our successes included restoration of the GI Bill for veterans enrolled at for-profit schools that shuttered and a renewed focus on fraudulent websites that target veteran students.

As we have done for several years, AUSA closely monitored Congress' proposals on the administrative reform of the military health care system and reform to health care delivery and costs. We were instrumental in blocking proposals that would have increased fees and copays for some TRICARE beneficiaries.

AUSA EVENTS

AUSA hosted key congressional staff members at our Hot Topic forums and Institute of Land Warfare breakfast series. These events gave congressional staff the opportunity to interact with senior leaders from the military and industry and hear the Army's message firsthand.



AUSA's Focus Areas outline the actions required to fund, maintain and modernize a combat-ready 800,000-member American Army that is ready to defend the nation in an unpredictable world.

1. Solve sequestration or pass an FY20-FY21 Bipartisan Budget Act that raises deficit caps above sequestration levels.
 - Carefully implement reforms that free up time, money and manpower to generate more readiness and improve Soldier lethality while protecting benefit readiness and quality of life.
2. Pass FY20 Defense, Construction and Veterans Appropriations before October 1, 2019, to avoid the destabilizing effects of Continuing Resolutions.
3. Support the Army's FY20 budget priorities.
 - Accelerate recapitalization investment to restore Army overmatch.
 - Sustain funding to continue building Army readiness.
 - Support the Overseas Contingency Operation (OCO) funding request.
4. Support the success of Army Futures Command.
5. Shape implementation of FY22 NDAA Military Health System overhaul.
 - Oversee and review transfer of Military Treatment Facilities from Military Service control to Defense Health Agency control to:
 - Ensure medical readiness, to include a combat ready medical force.
 - Ensure support for sustain requirements and
 - Enhance the quality of care for Soldiers and their families.
6. Support Army Civilians with competitive compensation and talent management.
7. Support the military benefits and total compensation package necessary to maintain the readiness of the All-Volunteer Force.
 - Military pay
 - Military healthcare
 - Military retirement
 - Soldier and Family quality-of-life benefits to include housing
8. Support Army initiatives to improve, integrate and modernize Total Force talent management.
9. Support initiatives to achieve recruiting objectives for the Total Army.
 - Support incentives for employees to hire and retain Army National Guard and Army Reserve Soldiers.
10. Support TRICARE Reserve Select coverage for all National Guard and Army Reserve Soldiers.

The Association of the United States Army is committed to advocating for a Total Army (Regular, National Guard, Reserve, Civilians) that is trained and ready whenever called upon to achieve national objectives.

Association of the United States Army | 2425 Wilson Boulevard, Arlington, VA 22201 | 703-841-4300 | www.ausa.org

AUSA's 2019 Focus Areas outlines the Association's legislative priorities.

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Government Affairs' culminating event for fiscal 2019 was the annual Congressional Staffers Breakfast, held as part of our Annual Meeting. Attended by more than 270 members of House and Senate personal and committee staff members, the breakfast broke the record and was one of the largest gatherings of Hill staff and the Army's senior military and civilian leaders.



Chief of Staff of the Army GEN Mark A. Milley addresses the audience at the annual Congressional Staff Breakfast during the 2018 Annual Meeting.

PUBLICATIONS & SOCIAL MEDIA

AUSA's collection of print and digital publications is evolving to reach a wider audience while continuing to fulfill the association's professional development and education missions and keep AUSA connected with the Army, our members and chapters, and the public.

There have been several changes and improvements:

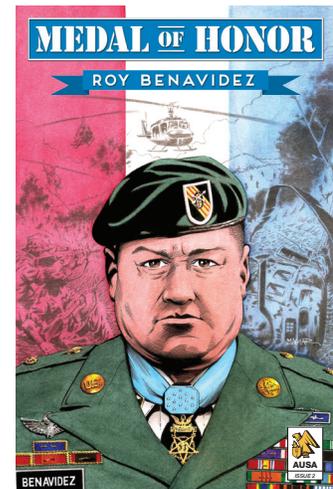
- Institute of Land Warfare's signature Landpower Essays, Land Warfare Papers and National Security Studies Spotlight publications are receiving wider distribution and attention because of a new focus on broader and current topics, such as the challenge of manning the Army in 2028 and beyond, proxy war theory and whether NATO would defend the Baltics in the face of Russian aggression.
- In addition to having 11 books published, AUSA's Book Program produced two graphic novels on Medal of Honor recipients. The first full-color work, created by a talented team drawn from the comic book industry and completed in time for the 2018 AUSA Annual Meeting, featured World War I hero Sgt. Alvin C. York. The second graphic novel featured Master Sgt. Raul "Roy" P. Benavidez, a Special Forces hero of the Vietnam War.
- Our monthly digital newspaper, AUSA News, became a weekly publication, AUSA Extra, in May. This move consolidated other newsletters and publications while providing more timely news and events coverage.
- ARMY magazine, the association's flagship publication, won its second consecutive honorable mention in the annual Eddie Awards from Folio Magazine in the nonprofit association category.
- AUSA's social media reach continued to expand, especially during the 2018 Annual Meeting and Exposition where the Twitter hashtag #AUSAorg was seen by 14.1 million people, a 48 percent increase over 2017.

ARMY MAGAZINE

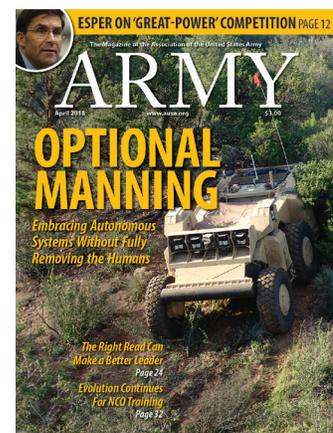
Provided in print and digital formats, ARMY continues its focus on major challenges facing land forces and professional development, with writers ranging from 96-year-old contributing editor retired Gen. Frederick J. Kroesen Jr., whose essays on leadership and values remain popular with readers, to U.S. Military Academy and Reserve Officer Training Corps cadets with fresh thoughts on Army Values.

Senior Army leaders either write or are interviewed in almost every issue of the magazine. In March 2019, Gen. Gus Perna, Army Materiel Command commanding general, wrote about how cross-domain operations would change sustainment requirements. In May 2019, Gen. Robert B. Brown, U.S. Army Pacific commanding general, wrote about adjustments to the changing global environment, particularly the military rejuvenation of China. In the July 2019 issue, Lt. Gen. James H. Dickinson, Army Space and Missile Defense Command commanding general, wrote about the coming evolution of Army air and missile defense.

Professional development remains a major focus of the magazine. An August 2018 cover story about core values being taught at the Army War College highlighted the need for leaders to display traits such as patience, humility and clear communication. In November,



The second issue of the Medal of Honor Series features Master Sergeant Raul "Roy" Benavidez.



ARMY magazine, April 2018 issue.

AUSA ANNUAL REPORT

the cover story looked at research to improve performance and brain function. In April 2019, three officers — Army, Air Force and Navy — wrote about how rules, policy and culture can either motivate or discourage millennials.

The Green Book, our annual October edition of ARMY, remains popular after it was overhauled in 2017. “I applaud your decision to have staff members interview key Army leaders and then write an article,” said retired Col. Russell V. Olson Jr. of Davidson, North Carolina. “In the past, it seemed like articles were written as a press release by a PAO.”

AUSA BOOKS

In addition to the two Medal of Honor graphic novels, AUSA and its publishing partners in the United States and United Kingdom covered many topics in books, including an overview of the Meuse-Argonne campaign in World War I, a history of the American Battle Monuments Commission, and a biography of the commander of 6th Army Group in World War II.

AUSA EXTRA

A new weekly digital newspaper was launched in May as the successor to the monthly AUSA News, which was born in 1978 as a publication targeted at corporate members of the association.

AUSA Extra, our new Thursday afternoon digital weekly paper, combines Army-related news and announcements with highlights from regional and chapter events and rotating reports from AUSA departments. It takes the place of several monthly and weekly publications.

The first edition featured an address the Army Futures Command commanding general gave at an AUSA event, tips on discounts available to association members, a report on AUSA support for Army National Guard and Army Reserve issues, and an announcement about the availability of 44 national scholarships.

AUSA FIVE THINGS

A Monday morning digital publication, AUSA’s Five Things remains a popular tip sheet for what’s happening in the Army. Sent at 6 a.m. Eastern to AUSA members, it talks about Army issues and accomplishments, legislation and events.

ILW PUBLICATIONS

The Land Warfare Papers and Landpower Essay series’ included topics new and old, such as the reemergence of using a siege as a tactic of battle, proxy war theory, whether NATO would defend the Baltics in the face of Russian aggression, how information operations are a weapon of war, and the value to the Army of globally astute and technologically savvy Army Reserve soldiers who have insights into strategic change beyond what Regular Army soldiers have experienced.

Among the topics of Spotlight publications from ILW’s National Security Studies team were energy resilience, robotics and autonomous systems, and modernizing recruiting and personnel management practices.

SOCIAL MEDIA

AUSA’s social media reach includes Facebook, Twitter and Instagram. More than half of AUSA’s Facebook audience is 44 years old or younger, and 26 percent are women.



The cover of AUSA Extra features a large photograph of soldiers in full combat gear, including helmets and vests, standing in formation. The title "AUSA Extra" is prominently displayed at the top in a bold, sans-serif font. Below the title, there is a table of contents listing various articles and their page numbers. The cover also includes a small inset photo of a person at a computer workstation and a small graphic of a globe.

AUSA Extra
Official digital newspaper of the Association of the United States Army
www.ausa.org

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Congress slows Army personnel growth

Defense policy legislation taking shape in Congress promises the biggest military rise in a decade while also slowing the growth of the Army. Draft legislation to be taken up next week by the House Armed Services Committee includes the 31% basic pay increase requested by the Trump administration and approved May 23 by the Senate Armed Services Committee.

The Army's goal is to continue growing by a modest 2,000 new soldiers a year until it reaches an end strength of about 500,000.

The House and Senate versions of the National Defense Authorization Act each would cap Regular Army troop strength at 460,000 for Army 2020, which is 7,500 less than the 2019 cap. The reduction, requested by the Army, reflects the ongoing difficulty in recruiting top-quality people.

In its draft report, the House Armed Services military personnel subcommittee says the Army expects to end the fiscal year on Sept. 30 with 476,000 people.

The Army's goal is to continue growing by a modest 2,000 new soldiers a year until it reaches an end strength of about 500,000.

Troop strength goals are also slightly reduced for the Army National Guard and Army Reserve, again based on Department of the Army requests.

Full details are not available on the Senate bill, but the House measure has several health care-related provisions. One would set a new fiduciary-side standard that defers deployment for 12 months for soldiers who give birth.

Another would temporarily delay the reduction or realignment of military medical staff while the impact on health care services is reviewed.

A third would require that prescriptions filled by military treatment facilities be labeled with specific directions for the purpose for which the drug is intended.

June 6, 2019 | AUSA Extra | 1

AUSA Extra is a new digital weekly newspaper.

STATEMENT OF FINANCIAL POSITION

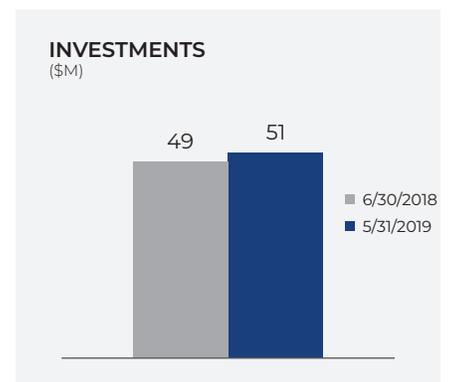
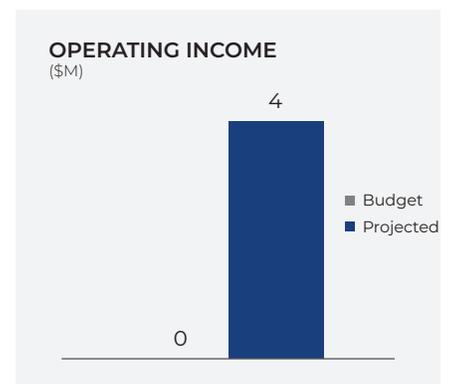
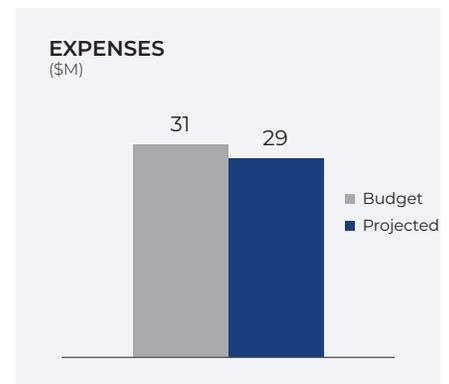
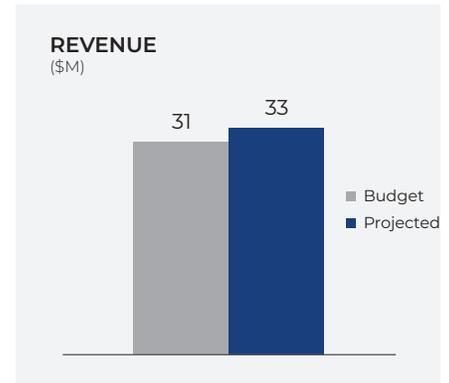
Effective Jan. 1, 2018, AUSA changed its fiscal year end from Dec. 31 to June 30. After an in-depth analysis, it was determined that there were operational benefits to be gained from aligning AUSA’s fiscal year with its operating schedule. Fiscal year 2019 spanned July 1, 2018, to June 30, 2019, and is the first full 12-month period after the fiscal year change.

For the fiscal year ending June 30, 2019, the Association is projecting to deliver \$33 million in revenue and a positive operating income of \$4 million. These strong financial results were driven by another highly successful Annual Meeting, which generated \$16 million in revenue and exceeded budget expectations. Operating performance was further supported by focused initiatives to drive cost savings and efficiencies.

After liquidating \$42.5 million in prior years for funding to the Army Historical Foundation for construction of the National Museum of the United States Army, AUSA’s financial focus has been to build up its investment portfolio reserve of \$51 million as of May 31, 2019.

Our strong cash position and debt-free balance sheet has also enabled AUSA to fund other strategic initiatives such as donating to causes aligned with our overall mission and making capital improvements to AUSA’s headquarters.

In fiscal year 2020, we will continue to focus on revenue growth, margins, cost control and cash generation. Operating income will be one of our key performance metrics. Our management is committed to building a talented team to deliver positive operating results and building strong reserves—all important and necessary for the Association to serve and support the Army and our soldiers well.



AWARDS

2018 AUSA NATIONAL AWARD RECIPIENTS

**GENERAL GEORGE CATLETT
MARSHALL MEDAL**

Martha Raddatz

**MAJOR GENERAL ANTHONY J.
DREXEL BIDDLE MEDAL**

Toni Schuman

**LIEUTENANT GENERAL RAYMOND S.
MCLAIN MEDAL**

MG Jessica L. Garfola Wright
U.S. Army Retired

JOSEPH P. CRIBBINS MEDAL

CSM Jesse T. Sablan
U.S. Army Retired

**AUSA VOLUNTEER FAMILY
OF THE YEAR AWARD**

The Pastore Family

**GENERAL CREIGHTON W.
ABRAMS MEDAL**

Thomas J. Ridge
former Secretary of Homeland Security

**SERGEANT MAJOR OF THE ARMY
WILLIAM G. BAINBRIDGE MEDAL**

CSM Robert W. Van Pelt
U.S. Army Retired

**MAJOR GENERAL JAMES EARL
RUDDER MEDAL**

CSM Joseph R. Sweeney
U.S. Army Retired

JOHN W. DIXON AWARD

Roger A. Krone
Chairman & CEO, Leidos

**AUSA NATIONAL SERVICE
AWARD**

Walmart Inc.

THE WALTER T. KERWIN JR. AWARD FOR READINESS

Presented in conjunction with the National Guard Association of the United States and the Reserve Officers Association

**152d Combat Sustainment Support
Battalion**
South Dakota Army National Guard

**7th Battalion, 158th Aviation
Regiment (GSAB)**
U.S. Army Reserve, Fort Hood, Texas



Martha Raddatz, 2018 recipient of the General George Catlett Marshall Medal.