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**Exhibit R-2, RDT&E Budget Item Justification:** PB 2023 Office of the Secretary Of Defense **Date:** April 2022

<b>Appropriation/Budget Activity</b> 0400: <i>Research, Development, Test &amp; Evaluation, Defense-Wide I BA 3: Advanced Technology Development (ATD)</i>	<b>R-1 Program Element (Number/Name)</b> PE 0603289D8Z I <i>Advanced Innovative Analysis and Concepts</i>
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COST (\$ in Millions)	Prior Years	FY 2021	FY 2022	FY 2023 Base	FY 2023 OCO	FY 2023 Total	FY 2024	FY 2025	FY 2026	FY 2027	Cost To Complete	Total Cost
Total Program Element	263.220	28.008	46.351	53.890	0.000	53.890	55.371	56.520	57.707	58.861	Continuing	Continuing
329: <i>Advanced Innovative Analysis and Concepts</i>	263.220	28.008	46.351	53.890	0.000	53.890	55.371	56.520	57.707	58.861	Continuing	Continuing

**Note**

New Start (Y/N): No

**A. Mission Description and Budget Item Justification**

This program supports the Department's initiatives to Deter Aggression and Prevail in Conflict, Defend the Homeland, Build Sustainable and Long-Term Advantage, and Build a Resilient Joint Force and Defense Ecosystem.

The Strategic Capabilities Office (SCO) conducts analysis to identify and accelerate the development, demonstration, and transition of game-changing capabilities to shape and counter emerging threats and increase the lethality of the Joint Force in contested environments. In a partnership endeavor across the Office of the Secretary of Defense (OSD), Joint Staff, Combatant Commands (CCMDs), the Services, the Intelligence Community (IC), and other U.S. Government agencies, the SCO combines capability innovation with new concepts for warfighting that leverage new technology areas, including autonomy, artificial intelligence, and machine learning. SCO conducts projects on accelerated timelines, in all warfighting domains, at any classification or access level.

The Advanced Innovative Analysis and Concepts program element supports development, study, and analysis of integrated concepts and prototypes, analysis in support of ongoing efforts to shape and counter emerging threats, cross-Service and cross-Defense/Intelligence concepts, and red-teaming. Projects focus on proving component and subsystem maturity prior to integration in major systems, and may involve risk reduction initiatives. This Program Element also supports the development of concept proposals for assessment by the Technical and Transition Cross Functional Teams established in accordance with the National Defense Authorization Act (NDAA) for FY 2020 for development under the Advanced Innovative Technologies Program Element. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level.

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<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023 Base</b>	<b>FY 2023 OCO</b>	<b>FY 2023 Total</b>
Previous President's Budget	28.524	51.513	0.000	0.000	0.000
Current President's Budget	28.008	46.351	53.890	0.000	53.890
Total Adjustments	-0.516	-5.162	53.890	0.000	53.890
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-5.000			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-0.006	-			
• SBIR/STTR Transfer	-0.510	-			
• Adjustments to Budget Year	-	-	53.890	-	53.890
• FFRDC Reduction	-	-0.162	-	-	-

**Change Summary Explanation**

FY 2023 funding increase reflects the fact that the FY 2022 President's Budget request did not include out-year funding.

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<b>Exhibit R-2A, RDT&amp;E Project Justification:</b> PB 2023 Office of the Secretary Of Defense										<b>Date:</b> April 2022		
<b>Appropriation/Budget Activity</b> 0400 / 3					<b>R-1 Program Element (Number/Name)</b> PE 0603289D8Z / <i>Advanced Innovative Analysis and Concepts</i>				<b>Project (Number/Name)</b> 329 / <i>Advanced Innovative Analysis and Concepts</i>			
<b>COST (\$ in Millions)</b>	<b>Prior Years</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023 Base</b>	<b>FY 2023 OCO</b>	<b>FY 2023 Total</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>Cost To Complete</b>	<b>Total Cost</b>
329: <i>Advanced Innovative Analysis and Concepts</i>	263.220	28.008	46.351	53.890	0.000	53.890	55.371	56.520	57.707	58.861	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

**A. Mission Description and Budget Item Justification**

The Strategic Capabilities Office (SCO) conducts analysis in support of ongoing efforts to shape and counter emerging threats, with special emphasis on: innovative and architecture-level concepts, cross-Service and cross-Defense/Intelligence concepts, red-teaming, and on a case-by-case basis, research and development projects to demonstrate new concepts. SCO identifies, analyzes, and accelerates the development, demonstration, and transition of selected capabilities to shape and counter emerging threats, and to improve U.S. security posture. In a partnership endeavor across the Office of the Secretary of Defense (OSD), Joint Staff, Combatant Commands (CCMDs), the Services, the Intelligence Community (IC), and other U.S. Government agencies, SCO combines capability innovation with concepts of operation to develop novel, high-leverage approaches to address pressing national security challenges. SCO conducts projects on accelerated timelines, at any classification or access level.

The Advanced Innovative Analysis and Concepts program element supports development, study, and analysis of integrated concepts and prototypes, analysis in support of ongoing efforts to shape and counter emerging threats, cross-Service and cross-Defense/Intelligence concepts, and red-teaming. Projects focus on proving component and subsystem maturity prior to integration in major systems, and may involve risk reduction initiatives. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level.

**B. Accomplishments/Planned Programs (\$ in Millions)**

	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Title:</b> Innovative Analysis and Concept Generation	13.437	24.939	27.305
<b>Description:</b> The Strategic Capabilities Office conducts analysis, studies, demonstrations of integrated concepts and prototypes, component and subsystem maturation, and risk-reduction demonstrations in support of ongoing efforts to shape and counter emerging threats, and develops project proposals for prototyping under the Advanced Innovative Technologies Program Element. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level. This project includes funds required for SBIR/STTR.			
<b>FY 2022 Plans:</b> Continue to innovate in partnership with Services Program Offices and CCMDs to identify game-changing uses of existing and mature systems and technologies to prepare for presentation to the Cross Functional Teams, and to identify potential missions for the mission management pilot program in accordance with the NDAA for FY 2022.			
<b>FY 2023 Plans:</b>			

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<b>B. Accomplishments/Planned Programs (\$ in Millions)</b>		<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Continue to innovate in partnership with Services Program Offices and CCMDs to identify game-changing uses of existing and mature systems and technologies to prepare for presentation to the Cross Functional Teams.				
<b>FY 2022 to FY 2023 Increase/Decrease Statement:</b> There is no significant change between FY 2022 and FY 2023.				
<b>Title:</b> Quick Win Projects				
<b>Description:</b> With the establishment of level funding for the Strategic Capabilities Office, and the creation of the Cross Functional Teams to evaluate candidate concepts, the Advanced Innovation Analysis and Concepts Program Element will increase focus on analysis, risk reduction, and formulation for promising future concepts as part of a renewed focus on formulation and risk reduction.		0.625	-	-
<b>Title:</b> Formulation and Risk Reduction				
<b>Description:</b> Subsequent to review and recommendation of project concepts by the new Technical and Transition Cross Functional Teams, the Strategic Capabilities Office performs engineering trade studies and conducts component tests to prepare selected projects to be ready to enter into full prototype development under the Advanced Innovative Technologies Program Element. Activities, such as proving component and subsystem maturity prior to integration in major systems, are intended to finalize key requirements to reduce technical risk during prototype development. Due to the nature of these projects, specific applications and detailed plans are available at a higher classification level.		13.946	21.412	26.585
<b>FY 2022 Plans:</b> Conduct formulation and risk reduction for five projects reviewed by the Cross Functional Teams and proposed to begin 6.4 work in FY 2023.				
<b>FY 2023 Plans:</b> Conduct formulation and risk reduction for five to six projects reviewed by the Cross Functional Teams and proposed to begin 6.4 work in FY 2024.				
<b>FY 2022 to FY 2023 Increase/Decrease Statement:</b> Budget increases to support increase from five to six new projects in Formulation in FY 2023.				
<b>Accomplishments/Planned Programs Subtotals</b>		28.008	46.351	53.890
<b>C. Other Program Funding Summary (\$ in Millions)</b>				
N/A				
<b>Remarks</b>				

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**D. Acquisition Strategy**  
N/A