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Exhibit R-2, RDT&E Budget Item Justification: PB 2020 Office of the Secretary Of Defense **Date:** February 2019

Appropriation/Budget Activity 0400: <i>Research, Development, Test & Evaluation, Defense-Wide I BA 3: Advanced Technology Development (ATD)</i>	R-1 Program Element (Number/Name) PE 0603291D8Z / <i>Advanced Innovative Analysis & Concepts - MHA</i>
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COST (\$ in Millions)	Prior Years	FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total	FY 2021	FY 2022	FY 2023	FY 2024	Cost To Complete	Total Cost
Total Program Element	0.000	14.971	13.590	14.668	-	14.668	14.839	14.279	14.875	15.173	Continuing	Continuing
251: <i>SCO Operational Costs</i>	0.000	14.971	13.590	14.668	-	14.668	14.839	14.279	14.875	15.173	Continuing	Continuing

A. Mission Description and Budget Item Justification

The Strategic Capabilities Office (SCO) conducts analysis to identify and accelerate the development, demonstration, and transition of potentially game-changing capabilities to shape and counter emerging threats and improve U.S. security posture. This funding line was established in FY 2018 from transferred funds from PE 0603289D8Z / Advanced Innovative Analysis and Concepts, to be used for MHA related endeavors. 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 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 -MHA Program Element supports development, studies, analysis, and demonstration 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. Program Change Summary (\$ in Millions)	FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total
Previous President's Budget	14.971	13.621	14.668	-	14.668
Current President's Budget	14.971	13.590	14.668	-	14.668
Total Adjustments	0.000	-0.031	0.000	-	0.000
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• FFRDC Reduction Section 8024(f)	-	-0.031	-	-	-

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Exhibit R-2A, RDT&E Project Justification: PB 2020 Office of the Secretary Of Defense **Date:** February 2019

Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603291D8Z / <i>Advanced Innovative Analysis & Concepts - MHA</i>	Project (Number/Name) 251 / <i>SCO Operational Costs</i>
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COST (\$ in Millions)	Prior Years	FY 2018	FY 2019	FY 2020 Base	FY 2020 OCO	FY 2020 Total	FY 2021	FY 2022	FY 2023	FY 2024	Cost To Complete	Total Cost
251: <i>SCO Operational Costs</i>	0.000	14.971	13.590	14.668	-	14.668	14.839	14.279	14.875	15.173	Continuing	Continuing

Note

PE 0603291D8Z Advanced Innovative Analysis & Concepts - MHA, which is not a new program was established in FY 2018 from transferred funds from PE 0603289D8Z / Advanced Innovative Analysis and Concepts.

A. Mission Description and Budget Item Justification

The Strategic Capabilities Office (SCO) conducts analysis to identify and accelerate the development, demonstration, and transition of potentially game-changing capabilities to shape and counter emerging threats and improve U.S. security posture. This funding line was established in FY 2018 from transferred funds from PE 0603289D8Z / Advanced Innovative Analysis and Concepts for MHA endeavors.

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

Title: SCO Operational Costs - MHA	FY 2018	FY 2019	FY 2020
Description: The Strategic Capabilities Office (SCO) conducts analysis to identify and accelerate the development, demonstration, and transition of potentially game-changing capabilities to shape and counter emerging threats and improve U.S. security posture. This funding line which is not a new program was established in FY 2018 from transferred funds from PE 0603289D8Z / Advanced Innovative Analysis and Concepts for MHA related endeavors.	14.971	13.590	14.668
FY 2019 Plans: The Strategic Capabilities Office will utilize this funding for MHA related endeavors which will enable continued analysis, development, demonstration, and transition of capabilities to counter emerging threats and improve U.S. security posture.			
FY 2020 Plans: The Strategic Capabilities Office will utilize this funding for MHA related endeavors which will enable continued analysis, development, demonstration, and transition of capabilities to counter emerging threats and improve U.S. security posture.			
FY 2019 to FY 2020 Increase/Decrease Statement: Increase of \$1.078M from FY 2019 to FY 2020 budget numbers is due minor program adjustments.			
Accomplishments/Planned Programs Subtotals	14.971	13.590	14.668

C. Other Program Funding Summary (\$ in Millions)

N/A

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C. Other Program Funding Summary (\$ in Millions)

Remarks

PE 0603291D8Z Advanced Innovative Analysis & Concepts - MHA was established in FY 2018 from transferred funds from PE 0603289D8Z / Advanced Innovative Analysis and Concepts. This is not a new program element.

D. Acquisition Strategy

N/A

E. Performance Metrics

Performance metrics will be specific to each of the MHA's that are funded. All of which include measures identified in the management approach, Statement of Work (SOW), and Period of Performance (POP). In addition, completions and successes are monitored against schedules and deliverables stated in the initiative's management approach.

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2020 Office of the Secretary Of Defense		Date: February 2019
Appropriation/Budget Activity 0400 / 3	R-1 Program Element (Number/Name) PE 0603291D8Z / <i>Advanced Innovative Analysis & Concepts - MHA</i>	Project (Number/Name) 251 / <i>SCO Operational Costs</i>

Remarks

Management Headquarters Activities - MHA's that are funded under the Advanced Innovative Analysis & Concepts.