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**Exhibit R-2, RDT&E Budget Item Justification:** PB 2021 Office of the Secretary Of Defense **Date:** February 2020

<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 0603950D8Z / <i>National Security Innovation Network</i>
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COST (\$ in Millions)	Prior Years	FY 2019	FY 2020	FY 2021 Base	FY 2021 OCO	FY 2021 Total	FY 2022	FY 2023	FY 2024	FY 2025	Cost To Complete	Total Cost
Total Program Element	0.000	0.000	40.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
845: <i>National Security Innovation Network</i>	0.000	0.000	40.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

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

The National Security Innovation Network (NSIN) is a program office within the Office of the Under Secretary of Defense for Research and Engineering with a mission to build new networks of innovators that generate new solutions to national security problems. NSIN develops programs and services that are designed to help other DoD entities from the Military Services, Joint Staff, Combatant Commands, and Defense Agencies and Field Activities solve problems with non-traditional partners. NSIN is organized around three core lines of effort. These lines of effort include: 1) creating new opportunities for National Security Service by building models of service that account for generational and cultural differences between the military, academic, and venture communities and providing flexible pathways to official service within the Department of Defense; 2) solving national security problems by collaborating with partners from the academic and venture communities by engaging new problem-solvers in collision events with DoD customers that generate novel concepts and solutions and building a national network of problem-solving ecosystems that leverage the competitive advantages of regions and commercial innovation hubs for DoD customers; and 3) accelerating the adoption of novel concepts and solutions by facilitating engagement with DoD end users and transition partners to stimulate dual-use venture growth and improving Technology Transfer and Transition (T3) rates for DoD lab technology through dual-use commercialization via early-stage ventures.

NSIN, working in partnership with other DoD innovation initiatives, seeks to maintain the long-term competitive advantage for the US military over peer and near-peer adversaries by tapping into high-potential uniformed and civilian employees of the DoD (i.e. intrapreneurs) and exponentially increasing with non-traditional innovators and entrepreneurs outside of the DoD. NSIN's programs and its physical and virtual network are the channels through which NSIN achieves its mission.

NSIN's physical network is composed of 11 Regional Directors, each of which is located in critical venture innovation hubs throughout the country (Boston, MA; NYC, Washington, DC; Raleigh, NC; Chicago, IL; St. Louis, MO; Austin, TX; Denver, CO; Seattle, WA; San Diego, CA; and San Francisco, CA) and supported by University Program Directors (UPDs) that are embedded at critical universities throughout the country and are co-located with emerging or extant venture ecosystems. At objective stated, NSIN envisions approximately 35 such UPDs throughout the country and in all 50 states.

NSIN, under its previous MD5 nomenclature, has been a Congressional interest program that has received funding in FY2016 (\$5M), FY2017 (\$25M), FY2018 (\$25.5M), and FY 2019 (\$15M) in the former PE 0603680D8Z. FY2020 is the first year for the establishment of an independent PE for this program.

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<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021 Base</b>	<b>FY 2021 OCO</b>	<b>FY 2021 Total</b>
Previous President's Budget	0.000	25.000	0.000	-	0.000
Current President's Budget	0.000	40.000	0.000	-	0.000
Total Adjustments	0.000	15.000	0.000	-	0.000
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	0.000	15.000			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			

**Congressional Add Details (\$ in Millions, and Includes General Reductions)**

**Project:** 845: *National Security Innovation Network*

Congressional Add: *NSIN*

	<b>FY 2019</b>	<b>FY 2020</b>
	0.000	15.000
Congressional Add Subtotals for Project: 845	0.000	15.000
Congressional Add Totals for all Projects	0.000	15.000

**Change Summary Explanation**

The FY 2020 \$25.000 million plus the \$15.000 million Congressional Add will fund three portfolios of effort: Service, Collaboration, and Acceleration designed to create new pathways to national security service to solve DoD problems in non-traditional ways.

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**Exhibit R-2A, RDT&E Project Justification:** PB 2021 Office of the Secretary Of Defense **Date:** February 2020

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COST (\$ in Millions)	Prior Years	FY 2019	FY 2020	FY 2021 Base	FY 2021 OCO	FY 2021 Total	FY 2022	FY 2023	FY 2024	FY 2025	Cost To Complete	Total Cost
<i>845: National Security Innovation Network</i>	0.000	0.000	40.000	0.000	-	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

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

	FY 2019	FY 2020	FY 2021
<b>Title:</b> National Security Innovation Network (NSIN)	-	25.000	-

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<b>B. Accomplishments/Planned Programs (\$ in Millions)</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<p><b>Description:</b> The NSIN mission is to build networks of innovators to generate new solutions for national security problems. It does this through three portfolios of programs and services designed to catalyze non-traditional problem-solving capabilities that combine warfighters, early-stage ventures, and applied academic communities at top-tier research universities.</p> <p><b>FY 2020 Plans:</b> Funding in FY 2020 will continue activities initiated in FY 2019 under the former PE and support achievement of the following goals:</p> <ol style="list-style-type: none"> <li>1. Expand the number of new participants within the National Security Innovation Base by 500, including at least 25 permanent hiring actions created through access to NSIN's National Service Portfolio of programs;</li> <li>2. Develop regional hubs in 13 commercial innovation hubs throughout the US and in Europe to support our NATO allies and embed personnel at 15 university partner locations;</li> <li>3. Achieve a solution adoption rate in excess of 70% against at least 200 submitted DoD problem sets;</li> <li>4. Develop baseline network scores that assess the holistic health of the problem import/solution export function envisioned throughout each of NSIN's 11 regions and throughout the broader national network;</li> <li>5. Identify, curate, and disseminate at least 200 sponsored problems each year with non-traditional innovators;</li> <li>6. Scale current Proof-of-Concept Center into at least two other locations, producing at least 10 design-build prototypes each quarter;</li> <li>7. Increase the number of national security-focused start-ups created as a result of NSIN programming to at least 30 each year;</li> <li>8. Facilitate 20 successful technology transfers from DoD labs each quarter.</li> </ol> <p><b>FY 2020 to FY 2021 Increase/Decrease Statement:</b> No budget has been allocated by the DoD for NSIN in FY 2021.</p>			
<b>Accomplishments/Planned Programs Subtotals</b>	-	25.000	-

	<b>FY 2019</b>	<b>FY 2020</b>
<p><b>Congressional Add:</b> NSIN</p> <p><b>FY 2019 Accomplishments:</b> In FY 2019, under PE 063680D8Z, NSIN executed \$15.000 million which met or exceeded each of its programmatic goals:</p> <p>- Through programs within NSIN's Collaboration Portfolio (like Hacking for Defense (H4D), Hackathons, demonstration days, SBIR execution support for the Air Force Research Lab (AFRL) and AFWERX), achieved a 73% solution adoption rate against more than 150 problems provided by DoD customers utilizing NSIN</p>	0.000	15.000

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	FY 2019	FY 2020
programming. This includes approximately 10% of solutions that have already transitioned back to DoD customers in the form of contracted dual-use ventures and/or budget allocations towards new programs or record.		
- Almost 50 new hires through fellowships, internships, and other project-based work from more than 13 different universities, including 9 new, full-time hires into the Department of Defense through NSIN's new National Service Portfolio.		
- Net growth of 43 new, dual-use ventures launched in response to a direct, DoD customer demand signal as a result of NSIN's focus through its Acceleration Portfolio on customer discovery and making DoD problems more legible for early-stage (Seed to A-Round) ventures seeking to do business with the DoD.		
- 14 dual-use ventures launched from extant DoD lab technology through the Defense Innovation Accelerator (DIA) program that is specifically designed to improve DoD lab technology transfer and transition (T3) rates.		
<b>FY 2020 Plans:</b> The additional funding in FY 2020 will increase the planned activities for FY 2020 and support the achievement of those goals.		
<b>Congressional Adds Subtotals</b>	0.000	15.000

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

<u>Line Item</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u> <u>Base</u>	<u>FY 2021</u> <u>OCO</u>	<u>FY 2021</u> <u>Total</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>Cost To</u> <u>Complete</u>	<u>Total Cost</u>
• 0603680D8Z: <i>National Security Technology Accelerator</i>	15.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing

**Remarks**

FY 2019 RDT&E funds were in PE 0603680D8Z as a Congressional add.

**D. Acquisition Strategy**

N/A