

**UNCLASSIFIED**

**Exhibit R-2, RDT&E Budget Item Justification:** PB 2025 Office of the Secretary Of Defense **Date:** March 2024

<b>Appropriation/Budget Activity</b> 0400: <i>Research, Development, Test &amp; Evaluation, Defense-Wide I BA 5: System Development &amp; Demonstration (SDD)</i>	<b>R-1 Program Element (Number/Name)</b> PE 0605027D8Z I OUSD(C) IT Development Initiative
--	---

COST (\$ in Millions)	Prior Years	FY 2023	FY 2024	FY 2025 Base	FY 2025 OCO	FY 2025 Total	FY 2026	FY 2027	FY 2028	FY 2029	Cost To Complete	Total Cost
Total Program Element	53.522	5.605	5.456	7.564	-	7.564	8.276	6.776	6.917	7.055	Continuing	Continuing
927: <i>Next Generation Resource Management System</i>	53.522	5.605	5.456	7.564	-	7.564	8.276	6.776	6.917	7.055	Continuing	Continuing

**Note**

New Start (Y/N): No

+\$7.564 million is required to support Next Generation Resource Management Systems (NGRMS) of which +\$1,911 million increase is to support the PPBE Reform efforts.

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

As the Department of Defense's strategic, operational, and tactical plans and objectives transform the war fighter with new capabilities and doctrine, the budgeting and accountability of funds used to pursue the Department's objectives will become more complicated and detailed allowing senior leaders to make decisions with supporting rationale for the taxpayer. Incorporating information technology towards current and emerging business processes manifesting into a state-of-the-art system of systems will result in increasing efficiencies, timely diagnostics, and reducing lifecycle costs to maintain, sustain, and repair.

This initiative exploits emerging technology, processes, trends, capabilities, and techniques to incorporate state-of-the-art information technology enabling the ability, agility, and level of fidelity to collect, process, administrate, and report resource management data and to automate business processes within a more robust analytical environment within the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)).

Next Generation Resource Management Systems (NGRMS):

The OUSD(C) is responsible for advising the Secretary of Defense on all Defense budgetary and fiscal matters, for Defense budget development and execution, and for overseeing financial management across the Department. The OUSD(C) has a broad set of responsibilities in supporting the Planning, Programming, Budget, and Execution (PPBE) process. The Office of the Director, Cost Assessment and Program Evaluation (CAPE), provides independent analytic advice to the Secretary of Defense on all aspects of the Defense program, including alternative weapon systems and force structures, the development and evaluation of program and defense program alternatives, and the cost-effectiveness of defense systems. There is a critical need for the development of a state-of-the-art information technology system to modernize and replace multiple, antiquated legacy systems and processes used to formulate, justify, present, and defend the entire Department of Defense budget in the OUSD(C) to meet Title 10 and Title 31 mission and reporting requirements. NGRMS is critical in formulating the DoD Budget and thereby providing the necessary fund requests to defend the homeland, deter strategic attacks against the United States, our Allies and partners. By formulating and presenting the DoD budget, NGRMS, through our Services, is helping to deter aggression, yet ensuring that we are prepared to prevail in conflicts with a prioritization to the PRC challenge in the Indo-Pacific and the Russian challenge in Europe. Through a strong DoD Budget, NGRMS is a major factor in building a resilient Joint Force and Defense ecosystem. The Comptroller's plan for mitigating the deficiencies and capability gaps associated with current systems is the development of the NGRMS.

**UNCLASSIFIED**

<b>Exhibit R-2, RDT&amp;E Budget Item Justification:</b> PB 2025 Office of the Secretary Of Defense	<b>Date:</b> March 2024
---	-------------------------

<b>Appropriation/Budget Activity</b> 0400: <i>Research, Development, Test &amp; Evaluation, Defense-Wide I BA 5: System Development &amp; Demonstration (SDD)</i>	<b>R-1 Program Element (Number/Name)</b> PE 0605027D8Z I OUSD(C) IT Development Initiative
--	---

The OUSD(C) and CAPE use multiple systems to formulate, justify, distribute, and execute the DoD budgets. The information managed by the budget formulation and programming systems is redundant, and reconciliation of information is difficult and inefficient. These systems require extensive manpower investments to provide executives the information needed to make timely key financial decisions. The OUSD(C) and CAPE require a more efficient and effective Defense budget environment that optimizes the budget cycle to ensure users are processing and reporting efficiently, and DoD Senior Leadership has the information to make informed, critical decisions.

The OUSD(C) requires capabilities to provide for the effective formulation, and justification of the Defense budget to be adaptable and modern. The requirement is for:

- Automated exchange and reconciliation of budget data
- Improved efficiency through the utilization of a unified budgetary model
- Instantaneous ability to generate data for management reviews and decisions
- Capability to accommodate emerging business practices
- Agile methods to launch and terminate new development efforts more quickly
- Seamlessly combine the out puts of multiple efforts at various levels of maturity for organizational responsiveness and alternative resource allocation for innovation adoption

As of the 3rd Quarter FY 2022, NGRMS has been developed and has deployed Initial Operational Capability (IOC) to all Department of Defense Services and agencies. The system has been designed as a single system with a unified data source for OUSD(C) and CAPE, which supports the reforming and modernizing of the PPBE process. It provides a single, integrated system that employs the latest technologies to fulfill the Department’s financial management responsibilities in an effective, efficient, and adaptable manner. The new system’s agile development approach compliments the continuous and ongoing studies and changes to the PPBE and appropriation processes to prevent stagnant complexities. It also provides twenty-first century information technology that allows users to view information from multiple fully integrated modules simultaneously, e.g., current year budget submission, decision documents from previous years, and budget execution information.

<b>B. Program Change Summary (\$ in Millions)</b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025 Base</u></b>	<b><u>FY 2025 OCO</u></b>	<b><u>FY 2025 Total</u></b>
Previous President's Budget	5.938	5.456	5.653	-	5.653
Current President's Budget	5.605	5.456	7.564	-	7.564
Total Adjustments	-0.333	0.000	1.911	-	1.911
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• PPBE Reform	-	-	1.911	-	1.911

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: PB 2025 Office of the Secretary Of Defense Date: March 2024

Appropriation/Budget Activity	R-1 Program Element (Number/Name)
0400: Research, Development, Test & Evaluation, Defense-Wide / BA 5: System Development & Demonstration (SDD)	PE 0605027D8Z / OUSD(C) IT Development Initiative

• Other Program Adjustments -0.333      -      -      -      -

**Change Summary Explanation**

+\$7.564 million is required to support Next Generation Resource Management Systems (NGRMS) of which +\$1,911 million increase is to support the PPBE Reform efforts.

**UNCLASSIFIED**

<b>Exhibit R-2A, RDT&amp;E Project Justification:</b> PB 2025 Office of the Secretary Of Defense										<b>Date:</b> March 2024		
<b>Appropriation/Budget Activity</b> 0400 / 5					<b>R-1 Program Element (Number/Name)</b> PE 0605027D8Z / OUSD(C) IT Development Initiative				<b>Project (Number/Name)</b> 927 / Next Generation Resource Management System			
<b>COST (\$ in Millions)</b>	<b>Prior Years</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025 Base</b>	<b>FY 2025 OCO</b>	<b>FY 2025 Total</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>Cost To Complete</b>	<b>Total Cost</b>
927: Next Generation Resource Management System	53.522	5.605	5.456	7.564	-	7.564	8.276	6.776	6.917	7.055	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

**Note**

Increase due to PPBE Reform initiative.

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

The Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) is responsible for advising the Secretary of Defense on all Defense budgetary and fiscal matters, for Defense budget development and execution, and for overseeing financial management across the Department. The OUSD(C) has a broad set of responsibilities in supporting the Planning, Programming, Budget and Execution (PPBE) process. The Office of the Director, Cost Assessment and Program Evaluation (CAPE), provides independent analytic advice to the Secretary of Defense on all aspects of the Defense program, including alternative weapon systems and force structures, the development and evaluation of programs and defense program alternatives, and the cost-effectiveness of defense systems.

OUSD(C) and CAPE use multiple systems to formulate, justify, distribute, and execute DoD budgets. The information managed by the budget formulation and programming systems is redundant, and reconciliation of information is difficult and inefficient. These systems require extensive manpower investments to provide executives the information needed to make timely key financial decisions. The OUSD(C) and CAPE require a more efficient and effective Defense budget environment that optimizes the budget cycle to ensure users are processing and reporting efficiently and DoD Senior Leadership has the information to make informed, critical decisions.

The OUSD(C) requires capabilities to provide for the effective formulation, and justification of the Defense budget to be adaptable and modern. This includes the following:

- Automated exchange and reconciliation of budget data
- Improved efficiency through the utilization of a unified budgetary model
- Instantaneous ability to generate data for management reviews and decisions
- Capability to accommodate emerging business practices
- Agile methods to launch and terminate new development efforts more quickly
- Seamlessly combine the outputs of multiple efforts at various levels of maturity for organizational responsiveness and alternative resource allocation for innovation adoption

As of the 3rd Quarter FY 2022, NGRMS has been developed and has deployed Initial Operating Capability (IOC) to all Department of Defense Services and agencies. The system has been designed as a single system with a unified data source for OUSD(C) and CAPE, which supports the reforming and modernizing of the PPBE

**UNCLASSIFIED**

<b>Exhibit R-2A, RDT&amp;E Project Justification:</b> PB 2025 Office of the Secretary Of Defense	<b>Date:</b> March 2024
--	-------------------------

<b>Appropriation/Budget Activity</b> 0400 / 5	<b>R-1 Program Element (Number/Name)</b> PE 0605027D8Z / OUSD(C) IT Development Initiative	<b>Project (Number/Name)</b> 927 / Next Generation Resource Management System
--	---	--

process. It provides a single, integrated system that employs the latest technologies to fulfill the Department’s financial management responsibilities in an effective, efficient, and adaptable manner. The new system’s agile development approach compliments the continuous and ongoing studies and changes to the PPBE and appropriation processes to prevent stagnant complexities. It also provides twenty-first century information technology that allows users to view information from multiple fully integrated modules simultaneously, e.g., current year budget submission, decision documents from previous years, and budget execution information.

<b>B. Accomplishments/Planned Programs (\$ in Millions)</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<p><b>Title:</b> Next Generation Resource Management System</p> <p><b>Description:</b> Plan, develop, test and evaluate the system components (i.e. unified database, expert system, cross domain security, enterprise service bus, applications, services) and supportability requirements in modernizing the budget formulation, programming execution, and reporting capabilities for the Department of Defense. Activities will include, but not be limited to, the preparation of all documentation required for Clinger-Cohen Compliance and acquisition regulations, developing requests for proposals, and oversight and management of contracts and deliverables.</p> <p><b>FY 2024 Plans:</b> FY 2024 planned development will include additional cyber security enhancements (as necessary), additional data and structure standardizations, and more robust analytical ties to execution.</p> <p><b>FY 2025 Plans:</b> FY 2025 planned development will include additional cyber security enhancements (as necessary), additional data and structure standardizations, cloud implementations (STRATUS), and more robust analytical ties to execution</p> <p><b>FY 2024 to FY 2025 Increase/Decrease Statement:</b> The increase for NGRMS from FY 2024 to FY 2025 includes cloud implementation requirements for development as the system moves to Full Operational Capability (FOC). We anticipate the higher level of funding will meet the future development efforts to reform and modernize the existing PPBE and appropriation processes.</p>	5.605	5.456	7.564
<b>Accomplishments/Planned Programs Subtotals</b>	5.605	5.456	7.564

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

**Remarks**

**D. Acquisition Strategy**  
Agile development to replace legacy mission subsystems capabilities. Current development effort is provided by KPMG contract # HQ0034-23-F-0266, period of performance June 21, 2023 – June 20, 2026.



**UNCLASSIFIED**

<b>Exhibit R-4, RDT&amp;E Schedule Profile: PB 2025 Office of the Secretary Of Defense</b>		<b>Date:</b> March 2024
<b>Appropriation/Budget Activity</b> 0400 / 5	<b>R-1 Program Element (Number/Name)</b> PE 0605027D8Z / OUSD(C) IT Development Initiative	<b>Project (Number/Name)</b> 927 / Next Generation Resource Management System

Task	Component	Sub Task	Description	FY2023				FY2024				FY2025						
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Single Submission	OUSD Comptroller	Acquisition	Complete 2nd Acquisition Award 2nd Contract															
	OUSD Comptroller	Prototype Development	Develop Single Submission Prototype Test/Deploy New System															
	OUSD Comptroller	Iterative Development Initiatives	NIP Controls, based on changing requirements															
	OUSD Comptroller/CAPE		Integrations with Manpower updates, based on changing requirements Continuous development to support changing budget requirements															
	Database Consolidation	OUSD Comptroller		Diagnostic/Tie Point Reports, based on changing requirements														
Data Analytics	OUSD Comptroller	Develop, Test & Deploy	Legacy Systems (CIS, PRCP, SDCS) Analysis of Alternatives															
			Requirements Development															
			Develop/Test/Deploy application, in Production (QLIK)															
			Deploy application to End-Users, in Production (QLIK)															
			Deploy application to End-Users, in Production (QLIK), including Manpower															

NGRMS Funding Legend	
FY22 RDT&E Funds	
FY23 RDT&E Funds	

**UNCLASSIFIED**

<b>Exhibit R-4, RDT&amp;E Schedule Profile: PB 2025 Office of the Secretary Of Defense</b>		<b>Date:</b> March 2024
<b>Appropriation/Budget Activity</b> 0400 / 5	<b>R-1 Program Element (Number/Name)</b> PE 0605027D8Z / OUSD(C) IT Development Initiative	<b>Project (Number/Name)</b> 927 / Next Generation Resource Management System

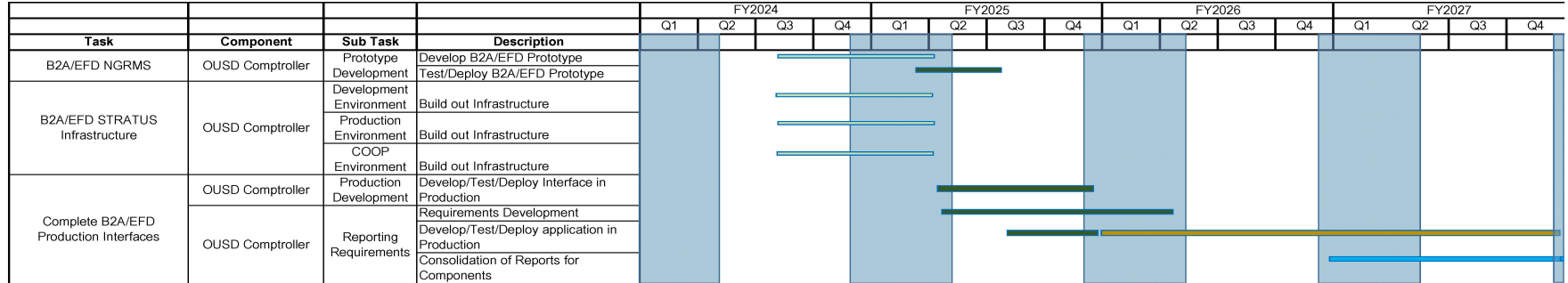
Task	Component	Sub Task	Description	FY2023				FY2024				FY2025			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
STRATUS Cloud Infrastructure	OUSD Comptroller	Development Environment	Build out Infrastructure												
		Production Environment	Build out Infrastructure												
		COOP	Build out Infrastructure												
		Environment	Build out Infrastructure												
		CSSP Support	(Sustain Site Protection in STRATUS)												
	All	Sustain Infrastructure and Software Licenses													
Complete Single Submission Production Interfaces	OUSD Comptroller	Production Development													Develop/Test/Deploy Interface in Production
	OUSD Comptroller	Reporting Requirements													Requirements Development
															Consolidation of Reports for Components
		Develop/Test/Deploy application in Production													
Tie in Enactment / Accounting Systems	OUSD Comptroller		Analysis of Alternatives												

NGRMS Funding Legend	
FY21 and out O&M	
FY22 RDT&E Funds	
FY23 RDT&E Funds	

**UNCLASSIFIED**

**Exhibit R-4, RDT&E Schedule Profile: PB 2025 Office of the Secretary Of Defense** **Date:** March 2024

<b>Appropriation/Budget Activity</b> 0400 / 5	<b>R-1 Program Element (Number/Name)</b> PE 0605027D8Z / OUSD(C) IT Development Initiative	<b>Project (Number/Name)</b> 927 / Next Generation Resource Management System
--	---	--



NGRMS Funding Legend	
FY24 and Out RDT&E Funds	[Color swatch]
FY25 and Out RDT&E Funds	[Color swatch]
FY26 and Out RDT&E Funds	[Color swatch]
FY27 and Out RDT&E Funds	[Color swatch]

**UNCLASSIFIED**

<b>Exhibit R-4A, RDT&amp;E Schedule Details:</b> PB 2025 Office of the Secretary Of Defense		<b>Date:</b> March 2024
<b>Appropriation/Budget Activity</b> 0400 / 5	<b>R-1 Program Element (Number/Name)</b> PE 0605027D8Z / OUSD(C) IT Development Initiative	<b>Project (Number/Name)</b> 927 / Next Generation Resource Management System

Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<b>NGRMS</b>				
Legacy Development (discontinued)	1	2017	3	2018
Single Submission	3	2018	4	2024
Complete Single Submission Product Interfaces	4	2021	3	2022
Data Analytics	1	2022	1	2023
STRATUS Infrastructure Buildout	4	2023	2	2024
Tie in Enactment/Accounting System	2	2023	3	2023
B2A/EFD NGRMS	1	2024	3	2025
B2A/EFD STRATUS Infrastructure	3	2024	1	2025
Complete B2A/EFD Production Interfaces	2	2025	4	2027