

**UNCLASSIFIED**

<b>RDT&amp;E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)</b>									DATE February 1999	
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense-wide BA6 Management Support					R-1 ITEM NOMENCLATURE Management Headquarters (Research and Development) PE 0605898E, R-1 #121					
COST ( <i>In Millions</i> )	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Cost To Complete	Total Cost
Total Program Element (PE) Cost	35.633	38.498	31.387	32.632	33.944	35.373	36.634	36.922	Continuing	Continuing
Management Headquarters MH-01	35.633	38.498	31.387	32.632	33.944	35.373	36.634	36.922	Continuing	Continuing

**(U) Mission Description:**

(U) This program element is budgeted in the Management Support Budget Activity because it provides funding for the administrative support costs of the Defense Advanced Research Projects Agency. The funds provide personnel compensation for civilians as well as costs for building rent, physical and information security, travel, supplies and equipment, communications, printing and reproduction. In addition, funds are included for reimbursing the military services for administrative support costs associated with contracts undertaken on the agency's behalf.

**(U) Program Accomplishments and Plans:**

**(U) FY 1998 Accomplishments:**

- Funding under this program element supported management and administration for the RDT&E programs assigned to DARPA. The majority of the funds were required for the pay of personnel who operate the Agency. The funding level reflects rental costs associated with the renegotiations of leases, and the related support and security requirements. (\$ 35.633 Million)

**(U) FY 1999 Plans:**

- DARPA will continue to fund management and administrative support costs. The growth in Management Headquarters is due to increased salary requirements to accommodate mandated pay raises and an increased reliance on Intergovernmental Personnel Act appointments for program management rather than civilians. (\$ 38.498 Million)

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(U) **FY 2000 Plans:**

- DARPA will continue to fund management and administrative support costs with two significant differences. First, the salary requirements for Intergovernmental Personal Act appointments have been budgeted within program funds in lieu of being centrally funded in this program element. This change reflects an OMB decision to treat IPAs as a support function rather than as a direct hire. Second, the additional salary requirements associated with DARPA's expanded hiring authority partially offset the IPA salary transfer. This authority was provided in the FY 1999 Authorization Act. (\$ 31.387 Million)

(U) **FY 2001 Plans:**

- DARPA will continue to fund management and administrative support costs. Increased costs reflect the cost of mandated pay raises, and related security requirements. (\$ 32.632 Million)

(U) <b><u>Program Change Summary:</u></b> <i>(In Millions)</i>	<b><u>FY1998</u></b>	<b><u>FY 1999</u></b>	<b><u>FY 2000</u></b>	<b><u>FY 2001</u></b>
Previous President's Budget	35.039	38.611	42.603	43.782
Current Budget	35.633	38.498	31.387	32.632

(U) **Change Summary Explanation:**

FY 1998	Increase reflects initial below threshold reprogramming adjustments to meet infrastructure contract requirements.
FY 1999	Decrease reflects Agency repricing of support infrastructure and IPA costs.
FY 2000/01	Decreases reflect removing IPA costs from management headquarters program element, partially offset by the increased salary requirements of the expanded hiring authority.

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(U) **Other Program Funding Summary Cost:**

- Not Applicable.

(U) **Schedule Profile:**

- Not Applicable.

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