

UNCLASSIFIED

RDT&E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)									DATE February 1999	
APPROPRIATION/BUDGET ACTIVITY RESEARCH, DEVELOPMENT, TEST & EVALUATION, DEFENSE-WIDE, BUDGET ACTIVITY 6					R-1 ITEM NOMENCLATURE SBIR PE 0605502D8Z					
COST (In Millions)	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	Cost to Complete	Total Cost
Total Program Element (PE) Cost	31.858	*	*	*	*	*	*	*	continuing	cont.
SBIR Administration No. P-518	31.858	*	*	*	*	*	*	*	continuing	cont.

*2.5 percent of extramural RDT&E funds appropriated to the Office of the Secretary of Defense (OSD)

A. Mission Description and Budget Item Justification

BRIEF DESCRIPTION OF ELEMENT: In accordance with US Code Title 15, the Small Business Innovation Research (SBIR) program is required to allocate 2.5 percent of their extramural RDT&E budgets in FY 1997 and thereafter, to fund mission-oriented R&D projects at small technology companies. Congress recently reauthorized the SBIR program with broad bipartisan backing, based on DoD's finding that the program makes a significant contribution to the technological strength of our armed forces, as well as highly favorable reviews of the program by the GAO, the National Academy of Sciences, and other federal agencies. In addition, a DoD report to Congress in May 1996 found that "SBIR-developed technologies have resulted in significant improvements in U.S. military capabilities and major savings to the taxpayer."

This program element funds OSD's portion of the DoD SBIR program. It represents 2.5 percent of the extramural RDT&E funds appropriated to OSD, and it funds R&D projects recommended and executed by the Service laboratories, with overall management oversight by OSD.

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PROGRAM ACCOMPLISHMENT AND PLANS:

FY 1998-2005: This program element funds early-stage R&D projects at small technology companies, in accord with the requirements of Public Law 102-564. The FY98 technology areas are: Army Human Systems Technology, Navy Theatre Air Defense and Aging Aircraft Technologies and Air Force Defense Air Reconnaissance. The research areas planned for FY99 are: Special Operations Biomedical, Sensors & Information Technology, and Materials Technology; Army Medical Research biomedical research technology; Naval Systems Materials Process Technology.

B. Program Change Summary

FY 1998 funding for this program element was \$ 31.858 million, which represents 2.5 percent of extramural RDT&E funds appropriated to OSD in FY 1997. Funding for FY 1999 through FY 2005 will be 2.5 percent of extramural RDT&E, in accord with Public Law 102-564.

C. Other Program Funding Summary: N/A

D. Schedule Profile N/A

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