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Exhibit R-2, RDT&E Budget Item Justification: PB 2012 Navy **DATE:** February 2011

APPROPRIATION/BUDGET ACTIVITY				R-1 ITEM NOMENCLATURE							
1319: <i>Research, Development, Test & Evaluation, Navy</i> BA 6: <i>RDT&E Management Support</i>				PE 0605152N: <i>Studies & Analysis Supt - Navy</i>							
COST (\$ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
Total Program Element	11.879	8.149	23.454	-	23.454	23.582	24.238	26.670	27.013	Continuing	Continuing
0133: <i>National Acad Sci/Stud Board</i>	1.630	1.201	1.546	-	1.546	1.539	1.446	1.496	1.505	Continuing	Continuing
2092.: <i>Naval Warfare Studies</i>	9.496	6.309	14.173	-	14.173	16.007	17.574	19.760	19.887	Continuing	Continuing
2097: <i>Manpower Personnel & Training</i>	0.753	0.639	0.825	-	0.825	0.801	0.755	0.761	0.774	Continuing	Continuing
3310: <i>Naval Aviation Developmental Planning</i>	-	-	6.910	-	6.910	5.235	4.463	4.653	4.847	Continuing	Continuing

A. Mission Description and Budget Item Justification

This program provides analytical support to the Secretary of the Navy and the Chief of Naval Operations as a basis for major policy, planning and acquisition program execution decisions. It supports research and development strategy development and planning. It supports studies in the areas of manpower, personnel, training, and aviation. It also develops analytical tools for evaluating effectiveness of U.S. weapons against potential foreign threat ships and submarines.

B. Program Change Summary (\$ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total
Previous President's Budget	12.321	8.149	11.425	-	11.425
Current President's Budget	11.879	8.149	23.454	-	23.454
Total Adjustments	-0.442	-	12.029	-	12.029
• Congressional General Reductions		-			
• Congressional Directed Reductions		-			
• Congressional Rescissions	-	-			
• Congressional Adds		-			
• Congressional Directed Transfers		-			
• Reprogrammings	0.861	-			
• SBIR/STTR Transfer	-0.170	-			
• Program Adjustments	0.001	-	12.301	-	12.301
• Section 219 Reprogramming	-0.118	-	-	-	-
• Rate/Misc Adjustments	-	-	-0.272	-	-0.272
• Congressional General Reductions	-0.016	-	-	-	-
Adjustments					
• Congressional Add Adjustments	-1.000	-	-	-	-

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APPROPRIATION/BUDGET ACTIVITY

1319: *Research, Development, Test & Evaluation, Navy*
BA 6: *RDT&E Management Support*

R-1 ITEM NOMENCLATURE

PE 0605152N: *Studies & Analysis Supt - Navy*

Change Summary Explanation

Technical: Not applicable.

Schedule: Not applicable.

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Exhibit R-2A, RDT&E Project Justification: PB 2012 Navy **DATE:** February 2011

APPROPRIATION/BUDGET ACTIVITY 1319: <i>Research, Development, Test & Evaluation, Navy</i> BA 6: <i>RDT&E Management Support</i>				R-1 ITEM NOMENCLATURE PE 0605152N: <i>Studies & Analysis Supt - Navy</i>				PROJECT 0133: <i>National Acad Sci/Stud Board</i>			
COST (\$ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
0133: <i>National Acad Sci/Stud Board</i>	1.630	1.201	1.546	-	1.546	1.539	1.446	1.496	1.505	Continuing	Continuing
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0		

A. Mission Description and Budget Item Justification

This project supports the core program for the Naval Studies Board. As agreed upon between the Chief of Naval Operations (CNO) and the President of the National Academy of Sciences and with appropriate attention to the influence of the domestic economy, national objectives, social imperatives and anticipated military requirements, the Naval Studies Board will conduct and report upon surveys, investigations, and analyses in the field of scientific research and development applicable to the operation and function of the Navy. Reports consist of a briefing to the Assistant Secretary of the Navy (Research Development and Acquisition) and the CNO and staff, and written technical reports.

B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)

	FY 2010	FY 2011	FY 2012
Title: National Acad Sci/Stud Board	1.630	1.201	1.546
Articles:	0	0	0
FY 2010 Accomplishments:			
- Continued research efforts and investigations in areas of interest to the Navy.			
- Initiated new study on "U.S. Naval Forces' Capabilities for Responding to Small Vessel Threats."			
- Initiated new study on "Improving the Decision Making Abilities of Small Unit Leaders in support of the Marine Corps."			
- Completed studies initiated in FY09.			
FY 2011 Plans:			
- Continue research efforts and investigations in areas of interest to the Navy.			
- Complete studies initiated in FY10.			
- Initiate new studies to be selected by the CNO during FY11.			
FY 2012 Plans:			
- Continue research efforts and investigations in areas of interest to the Navy.			
- Complete studies initiated in FY11.			
- Initiate new studies to be selected by the CNO during FY12.			
Accomplishments/Planned Programs Subtotals	1.630	1.201	1.546

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APPROPRIATION/BUDGET ACTIVITY 1319: <i>Research, Development, Test & Evaluation, Navy</i> BA 6: <i>RDT&E Management Support</i>	R-1 ITEM NOMENCLATURE PE 0605152N: <i>Studies & Analysis Supt - Navy</i>	PROJECT 0133: <i>National Acad Sci/Stud Board</i>

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

N/A

D. Acquisition Strategy

N/A

E. Performance Metrics

Conduct and report upon surveys, investigations, and analyses in the field of scientific research and development applicable to the operations and function of the Navy in a timely manner.

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COST (\$ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
2092.: <i>Naval Warfare Studies</i>	9.496	6.309	14.173	-	14.173	16.007	17.574	19.760	19.887	Continuing	Continuing
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0		

A. Mission Description and Budget Item Justification

This project supports detailed mission, capability, and technical analysis of future naval warfighting requirements. This work provides the analytical basis for integration and prioritization of overall military capability requirements and acquisition programs in support of executing the Naval Capability Development Process and development/delivery of Mission Capability Packages, Naval Capability Packages, and Integrated Strategic Capability Plans for Chief of Naval Operations. This project supports detailed mission, capability, and technical analysis of future naval warfighting requirements. This work provides the analytical basis for integration and prioritization of overall military capability requirements and acquisition programs in support of executing the Naval Capability Development Process and development/delivery of Mission Capability Packages, Naval Capability Packages, and Integrated Strategic Capability Plans for Chief of Naval Operations.

B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)

	FY 2010	FY 2011	FY 2012
Title: Naval Warfighting Assessments	7.031	5.325	6.539
Articles:	0	0	0
FY 2010 Accomplishments:			
<p>Coordinated and prioritized all Office of the Chief of Naval Operations (OPNAV) analysis efforts. Supported future Naval warfighting capability assessments, including cost-to-capability assessments, and mission-level modeling and simulation. Analyzed integration across all warfare areas, and assessments of legacy and future Programs-of-Record contribution to future warfighting requirements. Integrated Naval warfighting requirements into the Joint Capability Integration and Development System process. Provided the analytical underpinning for investment recommendations to Chief of Naval Operations (CNO). Served as the analytics basis to integrate and prioritize overall warfighting capability requirements and acquisition programs to support the Naval Capability Development Process. Supported the development of Mission Capability Packages, Naval Capability Packages, Integrated Strategic Capability Plans, and capabilities-based and balanced Integrated Sponsors' Program Proposals. Supported the Navy in its effort as lead for analytic engagement with Office of the Secretary of Defense and Joint Staff, including coordination of OPNAV participation in Joint Analytical Agenda. Assessed magnitude gaps and analyzed programmatic solutions. Reviewed approximately 40 tasks for FY10 Integrated Analytic Agenda in support of POM-12 technical executability, deconflicted internally, and eliminated redundancy with work previously done. Prioritized FY10 tasks to address issues of greatest concern to leadership and with greatest impact on programs/capabilities. Tasks provided for studies include 37 tasks for decision superiority, 21 tasks for global maritime security, 13 tasks for sea control, and 5 tasks for power projection. Produced and delivered FY10 Analytical Agenda briefings and assessments for CNO within the overall Navy program development processes and delivered timely results on urgent operational and/or Program Objective Memorandum issues.</p>			
FY 2011 Plans:			

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APPROPRIATION/BUDGET ACTIVITY 1319: <i>Research, Development, Test & Evaluation, Navy</i> BA 6: <i>RDT&E Management Support</i>	R-1 ITEM NOMENCLATURE PE 0605152N: <i>Studies & Analysis Supt - Navy</i>	PROJECT 2092.: <i>Naval Warfare Studies</i>		
B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)		FY 2010	FY 2011	FY 2012
Continue FY10 plan. FY 2012 Plans: Continue FY11 plan.				
Title: Portfolio Management Decision Support System Description: Portfolio Management Decision Support System: An analytic portfolio management methodology to aid Navy leadership with investment programming decision support. FY 2010 Accomplishments: Provided an assessment process that fosters informed, understandable, repeatable investment decisions with consistent, pedigreed, and retrievable information. Assessed programs of record and their proposed modifications (legacy and future) on their relative contribution to future warfighting requirements. FY 2011 Plans: Continue FY10 plan. FY 2012 Plans: Continue FY11 plan.		2.465 0	0.984 0	1.634 0
Title: CONFORM FY 2012 Plans: Conduct focused pre-Milestone A technical studies in support of emerging or planned capabilities. Study outputs will include initial system and technology costing and performance parameterization for comparative assessment against capability directives and synthesis to quantify overall (fleet) capabilities. These products, in the form of expressions of cost versus capability, will serve as the basis of requirements and Joint Capability Integration and Development System analysis, define the trade space for analysis of alternatives efforts, and underpin discussion of force architecture/structure during Quadrennial Defense Review, long-range shipbuilding strategy builds, and Joint Requirements Oversight Council reviews.		-	-	6.000 0
Accomplishments/Planned Programs Subtotals		9.496	6.309	14.173

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C. Other Program Funding Summary (\$ in Millions) N/A		
D. Acquisition Strategy Not applicable. Not applicable		
E. Performance Metrics Naval Warfighting Assessment - Review 40 tasks for Integrated Analytic Agenda in support of technical executability, deconflict internally, and eliminate redundancy with work previously done. Complete 37 tasks for decision superiority, 21 tasks for global maritime security, 13 tasks for sea control, and 5 tasks for power projection. Produce and deliver Analytical Agenda briefings and assessments. Portfolio Management Decision Support System (PMDSS) is an analytic Portfolio Management Methodology used to aid Navy leadership with both investment and divestment programming decisions. This methodology provides an assessment process that fosters informed, understandable, repeatable investment decisions with consistent, pedigreed, and retrievable information. The focus of this effort is to refine the system to identify programs as potential candidates for divestment. It provides leadership and resource sponsors with a starting point for their offset decision process as well as an issue ranking capability. PMDSS will include linkage of programs to N3/N5 strategic imperatives, programs mapped to warfare areas, program interdependencies annotated, and balance factors that can be adjusted to reflect Navy Leadership Priorities. The effort expands on PMDSS by capturing and mapping issues/funding adjustments, and providing a system capable of identifying fiscal interdependencies and consideration to risk in order to increase accuracy in calculating programmatic risk. CONFORM - Complete one technical study annually in support of emerging or planned capabilities.		

UNCLASSIFIED

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COST (\$ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
2097: <i>Manpower Personnel & Training</i>	0.753	0.639	0.825	-	0.825	0.801	0.755	0.761	0.774	Continuing	Continuing
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0		

A. Mission Description and Budget Item Justification

The Chief of Naval Personnel has a continuing need for studies and analysis of Manpower and Personnel (M&P) policies and programs and critical M&P issues that have Navy-wide implications. This project provides an essential management tool to: (a) assess the effectiveness of existing M&P policies and programs; (b) identify needs for new policies and programs; (c) determine the required manpower and training mix relative to changing demographic, societal and legislative/regulatory actions, and to evolving strategic and geopolitical factors; (d) study the impact of M&P programs on Navy accession, attrition, retention, and performance; and, to (e) develop, validate and/or refine a broad range of M&P forecasting models. The program permits Navy to more effectively utilize Research and Development expertise to respond to emergent M&P issues on a continuing basis. This program is funded under RDT&E operational systems development because it encompasses engineering and development of new end-items prior to production approval decision.

B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)

	FY 2010	FY 2011	FY 2012
Title: Manpower Personnel & Training	0.753	0.639	0.825
Articles:	6	7	9
FY 2010 Accomplishments:			
<ul style="list-style-type: none"> - Assessed/started Econometric Modeling System - Assessed use of prediction markets to support MPTE forecasting - Assessed Selected Re-enlisted Bonus (SRB) Policies - Evaluated and assessed marketing strategies for the All Volunteer Force (AVF) military - Assessed use of social networks and recruiting success - Assessed deployment intensity with respect to impacts/relationship to depression, PTSD and substance abuse in Active Duty Navy 2001-2006 			
FY 2011 Plans:			
<ul style="list-style-type: none"> - Continue assessing Econometric Modeling System and updating elasticities - Assess and update elasticities used in the Recruiting PRO Model - Continue assessing SRB Policies - Assess Special and Incentive Pay policies - Assess and evaluate retention, accession and training trade-offs 			

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B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)	FY 2010	FY 2011	FY 2012
- Assess economic factors and relationships to MPTE business lines ISO forecasting and responses			
<i>FY 2012 Plans:</i> Continue FY 11 plan - Assess factors, thresholds and mitigation strategies to avoid a Hollow Force			
Accomplishments/Planned Programs Subtotals	0.753	0.639	0.825

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

N/A

D. Acquisition Strategy

Not Applicable.

E. Performance Metrics

This PE provides funding to support continuing need for studies and analysis of issues critical to decisions required by the Chief of Naval Personnel and his staff regarding manpower, personnel, training and education policies and programs that have far-reaching implications to service members and the Navy budget. This PE supports research of both Naval Postgraduate School faculty and students and in FY-10 will begin the formulation of focused economic research, to include behavioral economics. This focus will provide continuing analysis and research to facilitate the data gathering and synthesis to provide consistent and timely update to economic indicators to use in the numerous models that support management decisions within the MPTE arena that have significant impact on the efficient use of the nearly \$27B Manpower & Personnel, Navy budget TOA. The economic research will consolidate the data necessary to perform elasticity estimations and maintain this data for subsequent estimations. To gather the data necessary to perform such estimations, would conservatively cost more than \$300K on each such occasion. The MPTE enterprise uses dozens of models, most of which require elasticity updates. Consolidating the data repository to support this analysis will result in a cost avoidance of more than \$1M and this does not include any of the actual model revisions.

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COST (\$ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
3310: <i>Naval Aviation Developmental Planning</i>	-	-	6.910	-	6.910	5.235	4.463	4.653	4.847	Continuing	Continuing
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0		

A. Mission Description and Budget Item Justification

Funding supports Naval aviation pre-Milestone B developmental activities to include the conduct and integration of systems engineering activities. This project unit provides information, automated tools, and decision aids necessary to perform acquisition planning in support of warfighter capability requirements. This project unit also supports research, development, and analysis efforts to include various studies, joint requirements analysis and cost analysis requirements in support of systems engineering activities, analysis-of-alternatives, and development of the 30-Year Aviation Plan (Congressionally mandated product). Due to high turnover and the end of service life of several Naval aircraft, DOD 5000 series mandates studies to identify capabilities lost and means to replace the capability. This project unit allows Naval aviation the means to properly identify capability gaps and potential solutions required to maintain maximum warfighting capability with minimal breaks in service and reduced and fiscal technical risk.

B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)

	FY 2010	FY 2011	FY 2012
Title: Naval Aviation Developmental Planning	-	-	6.910
Articles:			0
FY 2012 Plans: Conduct various studies for F/A-18, C-2 replacement solution, Jet Trainer replacement, Aggressor Squadron follow-on, and MH-53 replacement.			
Accomplishments/Planned Programs Subtotals	-	-	6.910

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

N/A

D. Acquisition Strategy

Not applicable.

E. Performance Metrics

Produce and deliver 30-Year Aviation Plan (Congressionally mandated product). Studies performed will be used to identify known warfighter capability gaps and support acquisition planning requirements associated with potential solutions. Studies provide coherent and integrated cost and capability data to support long-term planning for Naval Aviation consistent with DOD 5000 series instructions.