RDT&E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)		DATE February 2003
BUDGET ACTIVITY 07 - Operational System Development	PE NUMBER AND TITLE 0901538F FIRST	PROJECT 5036

COST ($ in Thousands)	FY 2002 Actual	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	Cost to Complete	Total Cost
5036 Financial Information Resource System (FIRST)	0	15,246	13,464	15,773	13,269	13,867	14,074	14,259	Continuing	TBD
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0	0

In FY 2003, project 5036, Financial Information Resource System (FIRST), efforts were transferred from PE 0303141F, GCSS-AF, project 4907, Financial Information Resource System (FIRST), in order to provide logical program grouping and to enhance program oversight.   Neither program requirements nor program management were impacted by this transfer.

(U)   **A. Mission Description**

FIRST is a software development effort that will provide an integrated, modern, seamless financial management system that enables authorized users (from Air Staff to base level) to plan, program, and execute their budgets. FIRST is ultimately envisioned to be the foundation for the Air Force's Planning, Programming, and Budgeting System (PPBS). FIRST will be developed using the Spiral Development approach. The core increments include Acquire Accounting, Budget Formulation, Funds Management, Budget Execution, and Cost Modeling. Additional increments of FIRST will continue development of legacy system's functionality contained in the Automated Business Services System (ABSS), Budget Enactment Management Information System (BEMIS), and the Obligation Adjustment Reporting System (OARS). FIRST will be compliant with the Clinger-Cohen Act, Financial Management Modernization Program (FMMP), the Joint Technical Architecture (JTA), GCSS-Air Force Integration Framework, C4ISR, and incorporate Public Key Infrastructure initiatives (such as electronic signature capability). FIRST will be integrated onto the GCSS-AF architecture.

Acquire Accounting provides flexible, easy-to-use report generation and decision support tools for Air Force managers, incorporates the new DOD Standard Fiscal Codes (SFC) into FIRST, and delivers timely budget execution data to minimize the budget community's dependency on formal end-of-month accounting reports. The Budget Formulation increment provides for programming, budget formulation, budget justification processes and documentation. It encompasses the budget exercise process, which affects all organizational levels and all users, and is based on core financial and selected program information used to build the Air Force budget. Funds Management encompasses the methods and procedures for maintaining control over the status of adjustments to the President's Budget (PB), receipt and distribution of program authority and budget authorizations in accordance with established business rules. Budget Execution provides analysis tools and execution data to budget offices at all levels. It includes analysis tools for monitoring budget execution information, determining unfunded requirements, and fiscal year-end processing. The Cost Modeling increment provides interactive cost modeling capability for manpower, flying hours, civilian pay, and other similar model driven costs based on resource information. In accordance with the Operational Requirements Document (ORD), FIRST will continue development of legacy systems (e.g., Automated Business Services System (ABSS), Budget Enactment Management Information System (BEMIS), and Obligation Adjustment Reporting System (OARS)) into FIRST.

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(U)   A. Mission Description Continued

(U)   FY 2002 ($ in Thousands)
(U) $0   Accomplished/Planned Program
(U) $0   No Activity
(U) $0   Total

(U)   FY 2003 ($ in Thousands)
(U) $0   Accomplished/Planned Program
(U) $842   Application Development & Test for Acquire Accounting
(U) $4,268   Application Development & Test for Budget Formulation
(U) $40   Application Development & Test for Funds Management/Budget Execution
(U) $8,694   Development of legacy system functionality into FIRST (e.g., ABSS, OARS, BEMIS)
(U) $1,302   GCSS-AF Test & Integration
(U) $100   Government Independent Test and Assessment
(U) $15,246   Total

(U)   FY 2004 ($ in Thousands)
(U) $0   Accomplished/Planned Program
(U) $582   Application Support for Acquire Accounting
(U) $5,704   Application Development & Test for Budget Formulation
(U) $44   Application Development & Test for Funds Management/Budget Execution
(U) $5,854   Development of legacy system functionality into FIRST (e.g., ABSS, OARS, BEMIS)
(U) $1,180   GCSS-AF Test & Integration
(U) $100   Government Independent Test and Assessment
(U) $13,464   Total

(U)   B. Budget Activity Justification
    This program is in Budget Activity 7, Operational System Development, because the program modernizes Automated Information Systems (AISs).

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(U) C. Program Change Summary ($ in Thousands)

	FY 2002	FY 2003	FY 2004	Total Cost
(U) Previous President's Budget	0	21,326	16,212	TBD
(U) Appropriated Value	0	21,326		
(U) Adjustments to Appropriated Value				
a. Congressional/General Reductions		-369		
b. Small Business Innovative Research				
c. Omnibus or Other Above Threshold Reprogram		-211		
d. Below Threshold Reprogram				
e. Rescissions				
(U) Adjustments to Budget Years Since FY 2003 PBR		-5,500	-2,748	TBD
(U) Current Budget Submit/FY 2004 PBR	0	15,246	13,464	TBD

(U) Significant Program Changes:

FIRST development effort was realigned to coincide with delivery of OSD Financial Management Modernization Program (FMMP) architecture. This has resulted in reduced FY2003 and FY2004 funding requirements and re-ordering of priorities of the development efforts.

(U) D. Other Program Funding Summary ($ in Thousands)

	FY 2002 Actual	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	Cost to Complete	Total Cost
(U) RDT&E, AF (PE 0303141F)	9,719	0	0	0	0	0	0	0	Continuing	TBD
(U) Other Procurement, AF (PE 0901538F)	0	1,180	1,882	729	773	801	816	832	Continuing	TBD
(U) O&M, AF; (PE 0308610F)	2,900	3,300	3,500	3,500	3,500	3,500	3,500	3,500	Continuing	TBD

(U) E. Acquisition Strategy

All major contracts awarded after full and open competition.

(U) F. Schedule Profile

	FY 2002	FY 2003	FY 2004

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(U)   F. Schedule Profile Continued

	FY 2002				FY 2003				FY 2004			
	1	2	3	4	1	2	3	4	1	2	3	4
(U) Acquire Accounting Deployment							X					
(U) Budget Formulation Spiral Readiness Reviews								X		X		X
(U) Begin Funds Management								X				
(U) Begin Budget Execution												X
(U) Web-basing of legacy system functionality into FIRST					*							
(U) GCSS-AF Test & Integration					*				X			

* - Completed Event
X - Planned Event

RDT&E PROGRAM ELEMENT/PROJECT COST BREAKDOWN (R-3)	DATE February 2003

BUDGET ACTIVITY 07 - Operational System Development	PE NUMBER AND TITLE 0901538F FIRST	PROJECT 5036

(U)   A. Project Cost Breakdown ($ in Thousands)

	FY 2002	FY 2003	FY 2004
(U) Application Development, Test, and Support for Acquire Accounting	0	842	582
(U) Application Development & Test for Budget Formulation	0	4,268	5,704
(U) Application Development & Test for Funds Management/Budget Execution	0	40	44
(U) Development of legacy system functionality into FIRST (e.g., ABSS, OARS, BEMIS)	0	8,694	5,854
(U) GCSS-AF Test & Integration	0	1,302	1,180
(U) Government Independent Test and Assessment	0	100	100
(U) Total	0	15,246	13,464

(U)   B. Budget Acquisition History and Planning Information ($ in Thousands)

(U)   Performing Organizations:

Contractor or Government Performing Activity	Contract Method/Type or Funding Vehicle	Award or Obligation Date	Performing Activity EAC	Project Office EAC	Total Prior to FY 2002	Budget FY 2002	Budget FY 2003	Budget FY 2004	Budget to Complete	Total Program
Product Development Organizations										
Accenture	CPAF	2 Apr 01	43,981	46,031	0	0	13,844	12,184	Continuing	TBD
Lockheed Martin SI	CPAF	17 Dec 01	TBD	TBD	0	0	1,302	1,180	Continuing	TBD
Support and Management Organizations										
Not Applicable										
Test and Evaluation Organizations										
Joint Interoperability Test Center (JITC)					0	0	100	100	Continuing	TBD

Subtotals					Total Prior to FY 2002	Budget FY 2002	Budget FY 2003	Budget FY 2004	Budget to Complete	Total Program
Subtotal Product Development					0	0	15,146	13,364	TBD	TBD
Subtotal Support and Management										
Subtotal Test and Evaluation					0	0	100	100	TBD	TBD
Total Project					0	0	15,246	13,464	TBD	TBD