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<b>Exhibit R-2, RDT&amp;E Budget Item Justification:</b> PB 2012 Defense Advanced Research Projects Agency	<b>DATE:</b> February 2011
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APPROPRIATION/BUDGET ACTIVITY				R-1 ITEM NOMENCLATURE							
0400: <i>Research, Development, Test &amp; Evaluation, Defense-Wide</i> BA 6: <i>RDT&amp;E Management Support</i>				PE 0605898E: <i>MANAGEMENT HQ - R&amp;D</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	54.842	56.257	66.689	-	66.689	70.090	72.046	74.051	74.216	Continuing	Continuing
MH-01: <i>MANAGEMENT HQ - R&amp;D</i>	54.842	56.257	66.689	-	66.689	70.090	72.046	74.051	74.216	Continuing	Continuing
Quantity of RDT&E Articles											

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

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 security, travel, supplies and equipment, communications, printing and reproduction.

<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012 Base</b>	<b>FY 2012 OCO</b>	<b>FY 2012 Total</b>
Previous President's Budget	54.842	56.257	57.848	-	57.848
Current President's Budget	54.842	56.257	66.689	-	66.689
Total Adjustments	-	-	8.841	-	8.841
• Congressional General Reductions		-			
• Congressional Directed Reductions		-			
• Congressional Rescissions	-	-			
• Congressional Adds		-			
• Congressional Directed Transfers		-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• TotalOtherAdjustments	-	-	8.841	-	8.841

**Change Summary Explanation**

FY 2012: Increase reflects additional resources required for the building move. Rent is required for both buildings until the move and refurbishments are complete.

<b>C. Accomplishments/Planned Programs (\$ in Millions)</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Title:</b> Management Headquarters	54.842	56.257	66.689
<b>Description:</b> Management Headquarters			
<b>FY 2010 Accomplishments:</b>			

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<b>APPROPRIATION/BUDGET ACTIVITY</b> 0400: <i>Research, Development, Test &amp; Evaluation, Defense-Wide</i> BA 6: <i>RDT&amp;E Management Support</i>		<b>R-1 ITEM NOMENCLATURE</b> PE 0605898E: <i>MANAGEMENT HQ - R&amp;D</i>		
<b>C. Accomplishments/Planned Programs (\$ in Millions)</b>		<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<ul style="list-style-type: none"> <li>- Funded civilian salaries and benefits, including bonus package compensation for Section 1101 hires, and administrative support costs.</li> <li>- Funded travel, rent and other infrastructure support costs.</li> <li>- Funded security costs to continue access controls, uniformed guards, and building security requirements.</li> <li>- Funded CFO Act compliance costs.</li> <li>- Funded DARPA share of DoD Acquisition Workforce Fund.</li> </ul> <p><b><i>FY 2011 Plans:</i></b></p> <ul style="list-style-type: none"> <li>- Fund civilian salaries and benefits, including bonus package compensation for Section 1101 hires, and administrative support costs.</li> <li>- Fund travel, rent and other infrastructure support costs.</li> <li>- Fund security costs to continue access controls, uniformed guards, and building security requirements.</li> <li>- Fund CFO Act compliance costs.</li> <li>- Fund DARPA share of DoD Acquisition Workforce Fund.</li> </ul> <p><b><i>FY 2012 Plans:</i></b></p> <ul style="list-style-type: none"> <li>- Fund civilian salaries and benefits, including bonus package compensation for Section 1101 hires, and administrative support costs.</li> <li>- Fund travel, and other infrastructure support costs.</li> <li>- Fund security costs to continue access controls, uniformed guards, and building security requirements.</li> <li>- Fund CFO Act compliance costs.</li> <li>- Fund DARPA share of DoD Acquisition Workforce Fund.</li> <li>- Fund rent on existing building (full year to allow phased move to new building).</li> <li>- Fund rent on new building on a pro-rata basis.</li> </ul>				
<b>Accomplishments/Planned Programs Subtotals</b>		54.842	56.257	66.689
<b>D. Other Program Funding Summary (\$ in Millions)</b> N/A				
<b>E. Acquisition Strategy</b> N/A				
<b>F. Performance Metrics</b> Specific programmatic performance metrics are listed above in the program accomplishments and plans section.				

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