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Exhibit R-2, RDT&E Budget Item Justification: FY 2018 Navy	Date: May 2017
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Appropriation/Budget Activity 1319: Research, Development, Test & Evaluation, Navy / BA 6: RDT&E Management Support	R-1 Program Element (Number/Name) PE 0605861N / RDT&E Science & Tech Mgmt
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COST (\$ in Millions)	Prior Years	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total	FY 2019	FY 2020	FY 2021	FY 2022	Cost To Complete	Total Cost
Total Program Element	0.000	76.872	63.000	1.104	-	1.104	1.108	1.131	1.154	1.177	Continuing	Continuing
0135: ONR Science & Technology Mgmt	0.000	69.455	55.739	1.104	-	1.104	1.108	1.131	1.154	1.177	Continuing	Continuing
2353: DFAS Billings	0.000	1.695	1.465	0.000	-	0.000	0.000	0.000	0.000	0.000	0.000	3.160
3234: Office of Naval Research - N-ERP	0.000	1.126	1.121	0.000	-	0.000	0.000	0.000	0.000	0.000	0.000	2.247
3364: ONR Global Management	0.000	4.596	4.675	0.000	-	0.000	0.000	0.000	0.000	0.000	0.000	9.271

A. Mission Description and Budget Item Justification

This program element (PE) covers Office of Naval Research (ONR) corporate expenses including salaries, Information Technology (IT), Financial Improvement Plan (FIP) efforts and some of the day-to-day logistical costs. The vast majority of these items represent fixed costs associated with Scientists and Engineers supporting the Navy's Science and Technology (S&T) Programs.

The Defense Finance and Accounting Service (DFAS) Billings project 2353 funds accounting services provided to ONR and Navy Research and Development (R&D) activities.

B. Program Change Summary (\$ in Millions)	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total
Previous President's Budget	76.948	62.811	62.901	-	62.901
Current President's Budget	76.872	63.000	1.104	-	1.104
Total Adjustments	-0.076	0.189	-61.797	-	-61.797
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.076	0.000			
• Program Adjustments	0.000	0.189	-61.798	-	-61.798
• Rate/Misc Adjustments	0.000	0.000	0.001	-	0.001

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<p>Change Summary Explanation</p> <p>The decrease from FY 2017 to FY 2018 reflects a transfer of Non-MHA funding to PE 0602861N Science & Technology Management - ONR Field Accounts to consolidate ONR Science & Technology (S&T) Management in 6.2 Applied Research and improve reporting of Navy's S&T investment by including S&T management as part of the S&T topline.</p> <p>Technical: Not applicable.</p> <p>Schedule: Not applicable.</p>		

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Exhibit R-2A, RDT&E Project Justification: FY 2018 Navy										Date: May 2017		
Appropriation/Budget Activity 1319 / 6					R-1 Program Element (Number/Name) PE 0605861N / RDT&E Science & Tech Mgmt				Project (Number/Name) 0135 / ONR Science & Technology Mgmt			
COST (\$ in Millions)	Prior Years	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total	FY 2019	FY 2020	FY 2021	FY 2022	Cost To Complete	Total Cost
0135: ONR Science & Technology Mgmt	0.000	69.455	55.739	1.104	-	1.104	1.108	1.131	1.154	1.177	Continuing	Continuing
Quantity of RDT&E Articles		-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

This project supports ONR leadership, management and direction for the Naval S&T program. This project funds ONR HQ Non-Management Headquarters Activities (Non-MHA) salaries, communications, and other fixed costs. In FY16 and out, the Mid-Range Financial Improvement Plan effort will be transferred into this project from PE 0605853N Project 3025 to support ONR's goal of attaining a clean and auditable financial statement. ONR sponsors scientific advances, which lead to Future Naval Capabilities (FNCs), supporting the Fleet's ability to operate from a position of technological superiority. Functions performed include (1) scientific and technical direction of the nationwide 6.1 basic research program with colleges, universities, non-profit organizations and Naval Laboratories and Warfare Centers; (2) scientific and technical direction of the 6.2 applied research program through the Naval R&D laboratories and Warfare Centers and industry; (3) scientific and technical direction of the Naval 6.3 advanced technology development program through the Navy's R&D laboratories, Warfare Centers and industry; (4) management, resource formulation, program assessment, and contract negotiation/administration of the Navy basic research, applied research and advanced technology development program; and (5) coordination of the Navy's Technology Base program within the context of total DoD/Government (e.g., National Science Foundation, National Academy of Sciences) R&D initiatives in order to maximize scientific advances. This project also supports ONR Non-MHA management and direction for the following Navy-wide programs: Small Business Innovation Research, Naval Research Advisory Committee, Navy Patent Program, Historically Black Colleges and Universities/Minority Institutions Program, Navy Manufacturing Technology Program and the Ballistic Missile Submarine Nuclear (SSBN) Security Technology Program.

Additionally, this project funds ONR field salaries, communications, and other fixed costs. Functions performed support ONR's Navy-wide responsibilities in the negotiation and establishment of indirect cost rates for DoD-assigned universities and performance of contract administration for all DoD contracts/grants at all colleges and universities.

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

	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total
Title: S&T MANAGEMENT SUPPORT	69.455	55.739	1.104	0.000	1.104
Articles:	-	-	-	-	-
Description: This project provides for Non-MHA costs of ONR Headquarters in support of the entire Navy S&T program. Most all the funds in this project are fixed costs, such as salaries and communications. Specifically, it pays the salaries of Scientific and Engineering and corporate business personnel who direct the execution of the Navy's basic research, applied research, and advanced technology development programs at the nation's universities/colleges, Navy laboratories, Warfare Centers, and private industry.					

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Appropriation/Budget Activity 1319 / 6		R-1 Program Element (Number/Name) PE 0605861N / RDT&E Science & Tech Mgmt		Project (Number/Name) 0135 / ONR Science & Technology Mgmt		
B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)		FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total
<p>This project also provides for Non-MHA costs of ONR's field activities to include fixed costs, such as salaries and communications.</p> <p>Effective in FY 2017, ONR realigned costs associated with Management Headquarters Activity (MHA) salaries into PE 0605898N Management HQ - R&D. The reduction in FY 2016 to FY 2017 reflects that realignment.</p> <p>The decrease from FY 2017 to FY 2018 reflects a transfer of Non-MHA funding to PE 0602861N Science & Technology Management - ONR Field Accounts to consolidate ONR Science & Technology (S&T) Management in 6.2 Applied Research and improve reporting of Navy's S&T investment by including S&T management as part of the S&T topline, offset by the transfer of funding from 0605853N Management, Technical and International Support to support Financial Auditability and Audit Readiness (FIAR).</p> <p>Effective in FY18 this PE Project will only fund NGEN Corporate requirements and FIAR Civilian Salary (1 FTE).</p> <p>FY 2016 Accomplishments: This project provided for all costs of ONR Headquarters in support of the entire Navy S&T program. Most all of the funds in this project are fixed costs, such as salaries, and communications. Specifically, it paid the salaries of Scientific and Engineering and corporate business personnel who directed the execution of the Navy's basic research, applied research, and advanced technology development programs at the nation's universities/ colleges, Navy laboratories, Warfare Centers, and private industry. This project provided for all basic costs of ONR activities in support of the entire Navy S&T program.</p> <p>Increased support and focused on audit readiness to prepare for the FY17 financial auditability mandates set by SECDEF and Congress.</p> <p>FY 2017 Plans: Continue all efforts in directly supporting Navy Science and Technology programs of FY 2016.</p> <p>FY 2018 Base Plans: Continue efforts supporting ONR IT infrastructure and audit readiness.</p> <p>FY 2018 OCO Plans: N/A</p>						
Accomplishments/Planned Programs Subtotals		69.455	55.739	1.104	0.000	1.104

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Appropriation/Budget Activity 1319 / 6	R-1 Program Element (Number/Name) PE 0605861N / <i>RDT&E Science & Tech Mgmt</i>	Project (Number/Name) 0135 / <i>ONR Science & Technology Mgmt</i>
<p>C. Other Program Funding Summary (\$ in Millions) N/A</p> <p>Remarks</p> <p>D. Acquisition Strategy N/A</p> <p>E. Performance Metrics This PE funds operating costs for ONR's mission. Program performance is measured by attaining financial benchmarks for planned obligations vs. actual obligations and planned expenditures vs. actual expenditures.</p>		

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Appropriation/Budget Activity 1319 / 6					R-1 Program Element (Number/Name) PE 0605861N / RDT&E Science & Tech Mgmt				Project (Number/Name) 2353 / DFAS Billings			
COST (\$ in Millions)	Prior Years	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total	FY 2019	FY 2020	FY 2021	FY 2022	Cost To Complete	Total Cost
2353: DFAS Billings	0.000	1.695	1.465	0.000	-	0.000	0.000	0.000	0.000	0.000	0.000	3.160
Quantity of RDT&E Articles		-	-	-	-	-	-	-	-	-		
A. Mission Description and Budget Item Justification												
This project provides funding for accounting services provided to the Office of Naval Research and other Navy research and development activities by the Defense Finance and Accounting Service (DFAS).												
B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)												
								FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total
Title: TRANSACTIONS PROCESSED IN SUPPORT OF DON R&D								1.695	1.465	0.000	0.000	0.000
Articles:								-	-	-	-	-
Description: This project funds the DFAS bill for transactions processed in support of Department of the Navy R&D activities. Specific services include payroll, transportation, commercial invoices, travel, maintenance of trial balances, associated accounting and reporting.												
The decrease from FY 2016 to FY 2017 is due to an increase in automated efficiencies requiring less support from DFAS.												
The decrease from FY 2017 to FY 2018 reflects a transfer of Non-MHA funding to PE 0602861N Science & Technology Management - ONR Field Accounts to consolidate ONR Science & Technology (S&T) Management in 6.2 Applied Research and improve reporting of Navy's S&T investment by including S&T management as part of the S&T topline.												
FY 2016 Accomplishments: This project funded the DFAS bill for transactions processed in support of the Department of Navy R&D activities. Specific services include payroll, transportation, commercial invoices, travel and maintenance of trial balances, associated accounting and reporting.												
FY 2017 Plans: Continue all efforts of FY 2016.												
FY 2018 Base Plans: N/A												

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Appropriation/Budget Activity 1319 / 6		R-1 Program Element (Number/Name) PE 0605861N / <i>RDT&E Science & Tech Mgmt</i>		Project (Number/Name) 2353 / <i>DFAS Billings</i>	
<u>B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)</u>					
	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total
Effort and associated funding was moved to 0602861N Science & Technology Management - ONR Field Accounts.					
<i>FY 2018 OCO Plans:</i> N/A					
Accomplishments/Planned Programs Subtotals	1.695	1.465	0.000	0.000	0.000
<u>C. Other Program Funding Summary (\$ in Millions)</u> N/A					
<u>Remarks</u>					
<u>D. Acquisition Strategy</u> N/A					
<u>E. Performance Metrics</u> This PE funds operating costs for ONR's mission. Program performance is measured by attaining financial benchmarks for planned obligations vs. actual obligations and planned expenditures vs. actual expenditures.					

UNCLASSIFIED

Exhibit R-2A, RDT&E Project Justification: FY 2018 Navy										Date: May 2017		
Appropriation/Budget Activity 1319 / 6					R-1 Program Element (Number/Name) PE 0605861N / RDT&E Science & Tech Mgmt				Project (Number/Name) 3234 / Office of Naval Research - N-ERP			
COST (\$ in Millions)	Prior Years	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total	FY 2019	FY 2020	FY 2021	FY 2022	Cost To Complete	Total Cost
3234: Office of Naval Research - N-ERP	0.000	1.126	1.121	0.000	-	0.000	0.000	0.000	0.000	0.000	0.000	2.247
Quantity of RDT&E Articles		-	-	-	-	-	-	-	-	-		
A. Mission Description and Budget Item Justification												
This project provides funding to support the site implementation costs for the Office of Naval Research transition to Navy's Enterprise Resource Planning (ERP) and to administratively track this continuing effort.												
B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)								FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total
Title: OFFICE OF NAVAL RESEARCH NAVY ERP Articles: Description: This project funds N-ERP implementation and sustainment. The decrease from FY 2017 to FY 2018 reflects a transfer of Non-MHA funding to PE 0602861N to consolidate ONR Science & Technology (S&T) Management in 6.2 and improve reporting of Navy's S&T investment by including S&T management as part of the S&T topline. FY 2016 Accomplishments: Continue N-ERP sustainment efforts. FY 2017 Plans: Continue N-ERP sustainment efforts. FY 2018 Base Plans: N/A Effort and associated funding was moved to 0602861N Science & Technology Management - ONR Field Accounts. FY 2018 OCO Plans: N/A								1.126	1.121	0.000	0.000	0.000
								-	-	-	-	-
Accomplishments/Planned Programs Subtotals								1.126	1.121	0.000	0.000	0.000

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C. Other Program Funding Summary (\$ in Millions) N/A		
Remarks		
D. Acquisition Strategy N/A		
E. Performance Metrics This PE funds operating costs for ONR's mission. Program performance is measured by attaining financial benchmarks for planned obligations vs. actual obligations and planned expenditures vs. actual expenditures.		

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Exhibit R-2A, RDT&E Project Justification: FY 2018 Navy										Date: May 2017		
Appropriation/Budget Activity 1319 / 6					R-1 Program Element (Number/Name) PE 0605861N / RDT&E Science & Tech Mgmt				Project (Number/Name) 3364 / ONR Global Management			
COST (\$ in Millions)	Prior Years	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total	FY 2019	FY 2020	FY 2021	FY 2022	Cost To Complete	Total Cost
3364: ONR Global Management	0.000	4.596	4.675	0.000	-	0.000	0.000	0.000	0.000	0.000	0.000	9.271
Quantity of RDT&E Articles		-	-	-	-	-	-	-	-	-		
A. Mission Description and Budget Item Justification												
This project funds ONR Global salaries. Functions performed support ONR Navy-wide responsibilities in promoting the development of research in the international S&T community.												
B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)								FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total
Title: ONR Global								4.596	4.675	0.000	0.000	0.000
								Articles: -				
Description: This project funds ONR Global salaries. Functions performed support ONR Navy-wide responsibilities in promoting the development of research in the international S&T community.												
The decrease from FY 2017 to FY 2018 reflects a transfer of Non-MHA funding to PE 0602861N Science & Technology Management - ONR Field Accounts to consolidate ONR Science & Technology (S&T) Management in 6.2 Applied Research and improve reporting of Navy's S&T investment by including S&T management as part of the S&T topline.												
FY 2016 Accomplishments: This project provides for all basic costs of ONR Global activities in support of the entire Navy S&T program.												
FY 2017 Plans: Continue all efforts of FY 2016.												
FY 2018 Base Plans: N/A Effort and associated funding was moved to 0602861N Science & Technology Management - ONR Field Accounts.												
FY 2018 OCO Plans: N/A												
Accomplishments/Planned Programs Subtotals								4.596	4.675	0.000	0.000	0.000

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Appropriation/Budget Activity 1319 / 6	R-1 Program Element (Number/Name) PE 0605861N / RDT&E Science & Tech Mgmt	Project (Number/Name) 3364 / ONR Global Management
C. Other Program Funding Summary (\$ in Millions) N/A		
Remarks		
D. Acquisition Strategy N/A		
E. Performance Metrics N/A		