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<b>Missile Defense Agency (MDA) Exhibit R-2 RDT&amp;E Item Justification</b>	Date <b>February 2008</b>
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<b>APPROPRIATION/BUDGET ACTIVITY</b> <b>RDT&amp;E, DW/06 RDT&amp;E Management Support</b>	<b>R-1 NOMENCLATURE</b> <b>0901598C Management Headquarters - MDA</b>
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COST (\$ in Thousands)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Total Program Element (PE) Cost	93,350	80,392	86,453	70,355	69,855	69,855	69,855
0601 Management Headquarters	93,350	0	0	0	0	0	0
ZX38 Management Headquarters	0	80,392	86,453	70,355	69,855	69,855	69,855

*Note: In concert with the ongoing efforts to reduce Agency infrastructure and with the mandate of the Base Re-Alignment and Closure Commission, the funding amounts within this PE for FY10 and out are based on MDA reducing its presence in the National Capital region in preparation for the move to a consolidated campus on Redstone Arsenal in Huntsville, Alabama, with costs decreasing to reflect anticipated savings as a result of the consolidation.*

*The content previously planned in Project 0601 has been moved to Project ZX38 beginning in FY08.*

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

As prescribed by DoD Directive 5100.73, Major Headquarters Activities, signed by the Deputy Secretary of Defense on 13 May 1999, this Program Element funds costs associated with the operation of the headquarters and headquarters activities of the Missile Defense Agency. This project funds the following basic areas: Salaries and benefits for government civilian personnel assigned to the Agency headquarters, training, professional development, and travel for Agency personnel, rents, supplies and services for Agency facilities, facility support functions, and specialized headquarters contract support.

**Accomplishments/Planned Program**

	FY 2007	FY 2008	FY 2009
Civilian Salaries	31,344	25,046	25,797

Funds the basic costs for government civilian salaries, payroll, and benefit costs for all personnel within this Program Element. Civilian staff functions funded from this project include the Command Group and Chief of Staff, the Small and Disadvantage Business Utilization Office (SADBU), Workforce Management, General Counsel, Legislative Affairs, centralized oversight of classified programs, and civilian management of all MDA facility, maintenance, and housekeeping activities. Total staff funded by these dollars is approximately 210 civilians, with historical costs forming a firm basis for estimating future costs for this function.

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	FY 2007	FY 2008	FY 2009
Training, Professional Development and Travel	4,312	3,310	3,412
<p>This effort provides funding required for training and professional development required to maintain mandatory Acquisition Certifications for the MDA workforce, essential mission travel, and relocation costs for new government civilian employees hired from outside the NCR. Historical cost trends, an emphasis on enhanced use of video teleconferencing in lieu of travel, and known requirements for civilian workforce acquisition certification and training are all used to allow for accurate budgeting of costs for this function.</p>			
	FY 2007	FY 2008	FY 2009
Rents, Supplies and Services	18,468	16,947	19,203
<p>This effort provides funds required to operate the MDA plant and related operational costs. This includes leases for commercial office space, as well as utilities and communications expenses at both the leased facilities and Federal Office Building 2 (FOB-2). The expansion of the MDA mission and associated growth of the Agency during the last several years has the Agency currently residing in FOB-2, Sequoia Plaza, and the Suffolk Building, and the Agency has warehousing space for storage of items needed for daily operations. Given the current size of the agency, virtually all of the costs within this project remain fixed: costs for utilities, commercial building leases, backup generator and HVAC maintenance and operations, and alarm systems and minor carpentry, electrical, and painting work requests consume 80% of the funding, with the remaining represented by fixed costs related to Metro transit subsidies, operational requirements to transport key leadership personnel, expendable supplies, the costs of postage and express mail, and copier service/maintenance contracts. Rent costs for the MDA use of FOB-2 are included in Program Element 0901585C, Pentagon Reservation Maintenance Reserve Fund.</p>			
	FY 2007	FY 2008	FY 2009
Facility Support	13,985	17,984	18,176
<p>A large and fixed base of costs are required to perform Logistics support of Agency operations - the transportation, janitorial and maintenance services and supply and mail room operations that allow the civilian staff of the Agency to perform their operational mission.</p> <p>The FY09 budgeted amount of \$18 million represents the fixed, steady-state costs required to pay for these vital services, as the historical FY07 cost trend is not reflective of the current fixed cost basis for these services. Two-thirds of the costs within this category represent fixed costs for transit services to shuttle MDA employees between the various Agency buildings, monthly purchasing, logistics, and telecommunications costs, fitness, cleaning, and maintenance contractual costs, and the costs to perform detailed planning and design associated with the relocation of Agency</p>			

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<p>functions. The remaining costs represent contractor staffing costs to operate MDA supply and mailroom operations at multiple MDA facilities in the National Capital region, and to provide management analysis in the areas of management headquarters account processes and assess facilities, logistics, and administrative operations to identify opportunities to improve performance and customer service, to manage all property resources, and to introduce capability for enhancing effectiveness and efficiency.</p>			
	FY 2007	FY 2008	FY 2009
Specialized HQ Contract Support	25,241	17,105	19,865
<p>This effort provides specialized, critical contractual services required to augment the government civilian staff performing Agency-wide Management Headquarters functions within a host of offices within the Missile Defense Agency:</p> <p>Workforce Management - responsible for providing organization development consultation on corporate workforce management systems and issues. In addition, provides support for directing and managing the development, coordination, and execution of workforce management goals, objectives, policies, plans and programs for the Missile Defense Agency.</p> <p>Office of the Chief of Staff Support - provides for direct costs and an augmentation to government staffing associated with MDA-wide protocol, major events and offsite meetings and their planning and management, the execution of Occupational Safety and Health programs to include staff training and purchase of emergency escape masks, executive administrative support across Management Headquarters, and contractual staff to respond to congressional and interdepartmental requests for information, to include researching background information for use in answering Freedom of Information Act requests.</p> <p>Legislative Affairs/Communications/General Counsel Support provides for purchases of outside services critical to the implementation of staff actions for these three areas. This includes the purchases and use of databases, publications, and proprietary information critical to these highly specialized headquarters functions, the use of an MDA Booth, as well as augmented contractor staff to compile research information and to develop archiving systems and databases for use by civilian staff.</p> <p>Prior to FY08, this project also provided funding for purchases of outside financial management support services that are now accounted for within Project 0602, Program Wide Support.</p>			

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<b>B. Program Change Summary Table</b>	FY 2007	FY 2008	FY 2009
Previous President's Budget (FY 2008 PB)	87,059	85,906	86,453
Current President's Budget (FY 2009 PB)	93,350	80,392	86,453
Total Adjustments	6,291	-5,514	0
Congressional Specific Program Adjustments	0	-5,000	0
Congressional Undistributed Adjustments	0	-514	0
Reprogrammings	6,291	0	0
SBIR/STTR Transfer	0	0	0
Adjustments to Budget Years	0	0	0

FY07 increase of \$6.291 million;is results of MDA reprogrammings.

FY08 decrease of \$5.514 million includes a Congressionally specific program decrease of \$5 million and a portion of the MDA Congressional undistributed reduction.

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<b>C. Other Program Funding Summary</b>								
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Total Cost
PE 0207998C BRAC	0	103219	159938	61931	8724	0	0	333812
PE 0603175C Ballistic Missile Defense Technology	183849	108423	118718	115234	120152	127012	130358	903746
PE 0603881C Ballistic Missile Defense Terminal Defense Segment	1082454	1045276	1019073	795659	719847	548283	439752	5650344
PE 0603882C Ballistic Missile Defense Midcourse Defense Segment	2985140	2243213	2209262	2276848	1385258	946437	1103532	13149690
PE 0603883C Ballistic Missile Defense Boost Defense Segment	622218	510241	421229	423927	652642	799792	991839	4421888
PE 0603884C Ballistic Missile Defense Sensors	514989	586121	1221143	1184280	1099649	1077632	823583	6507397
PE 0603886C Ballistic Missile Defense System Interceptors	341358	340107	386817	500966	708803	815433	553136	3646620
PE 0603888C Ballistic Missile Defense Test and Targets	584615	621861	673691	672976	690938	708991	719209	4672281
PE 0603890C Ballistic Missile Defense System Core	425889	413934	432262	482947	605219	561947	571498	3493696
PE 0603891C Special Programs - MDA	347377	196892	288315	304234	538050	818136	786349	3279353
PE 0603892C Ballistic Missile Defense Aegis	1125426	1126337	1157783	1234220	1078539	1066712	1102542	7891559
PE 0603893C Space Tracking & Surveillance System	311402	231528	242441	266509	560130	735727	938191	3285928
PE 0603894C Multiple Kill Vehicle	133615	229943	354455	488294	649632	708582	879385	3443906
PE 0603895C BMD System Space Program	0	16552	29771	41638	56199	133915	157548	435623
PE 0603896C BMD C2BMC	249179	447616	289277	287194	270762	256767	259159	2059954
PE 0603897C BMD Hercules	46268	52462	55955	55289	56400	51902	52784	371060
PE 0603898C BMD Joint Warfighter Support	49833	49394	69982	73997	77205	80168	81948	482527
PE 0603904C Missile Defense Integration & Operations Center	104389	78557	96404	100437	100366	101512	102840	684505
PE 0603905C BMD Concurrent Test and Operations	21870	0	0	0	0	0	0	21870
PE 0603906C Regarding Trench	0	1986	2978	4964	4963	8933	8933	32757
PE 0603907C Sea Based X-Band Radar (SBX)	0	165243	0	0	0	0	0	165243
PE 0605502C Small Business Innovative Research - MDA	142510	0	0	0	0	0	0	142510
PE 0901585C Pentagon Reservation	15527	6019	19734	5040	5284	5370	5456	62430

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