



Budget Activity 8 (BA-8)

Software and Digital Technology Pilot

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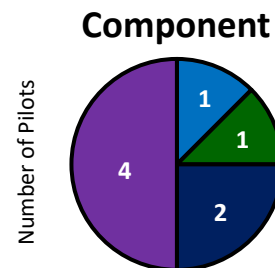
What is BA-8?

- **Technical definition:**
 - New budget activity* (starting in FY21) within Research, Development, Test & Evaluation
 - Statutory language allows use of BA-8 for purposes that would normally fall under Procurement or Operations & Maintenance
- **Pilot program participation:**
 - OUSD(C) migrated all funds for pilot programs to RDT&E BA-8
 - Participation included each MilDep and the 4th Estate

Pilot Programs

8

Component	FY21 (\$M)
Army	46.4
DAF	149.7
DoN	25.1
OSD/Other	475.4
TOTAL	696.6



*Other 7 budget activities: <https://www.dau.edu/glossary/Pages/GlossaryContent.aspx?itemid=28379>

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A Brief Analogy

Imagine: All-expenses-paid trip to hike Old Rag in May



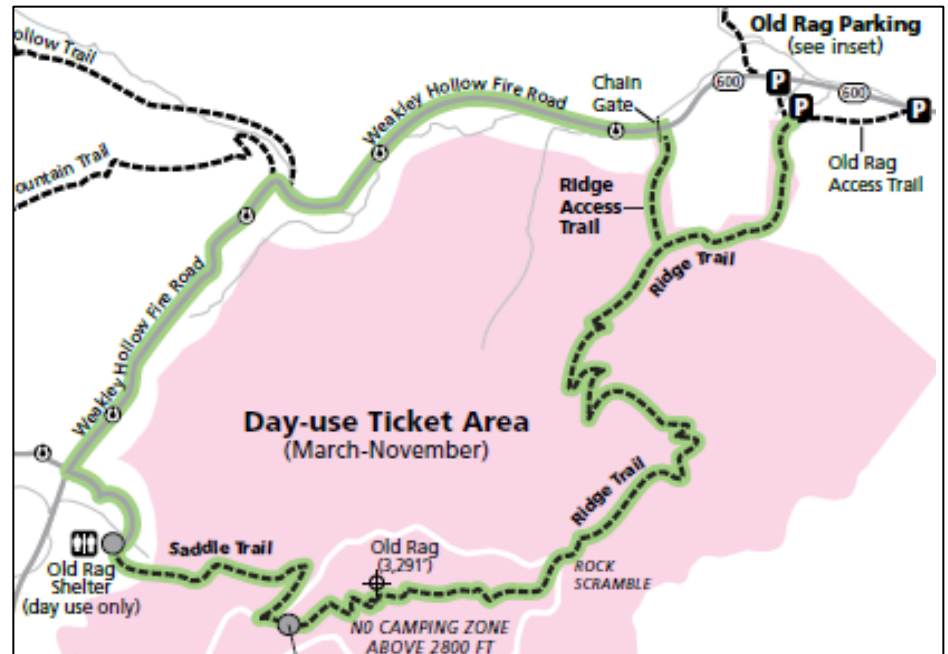
Source: <https://www.nps.gov/places/old-rag.htm>

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A Brief Analogy (cont.)

- **Hiking old rag is “very strenuous”**
 - 9.4-mile circuit hike (once you get to the trailhead)
 - 2,348-foot elevation gain with a boulder scramble
 - Long, gradual walk back down
- **Leave DAU at 5:30 AM**
- **Approved packing list:**
 - Backpack
 - First-aid kit
 - Food & water
 - Layers of clothing
 - Steel-toed work boots
 - Running shoes



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A Brief Analogy (cont.)

- **Steel-toed work boots**
 - Required for the hiking trail and boulder scramble
 - Ankle support to protect from injuries
 - Toe protection from rocks or pinching
- **Running shoes**
 - Required for the walk along the fire road
 - Best for comfort and speed
 - Less likely to cause hot spots or blisters
- **No substitutions allowed**
 - Following guidance is an individual responsibility
 - Don't like the rules? Don't come on the trip!



Perspectives on a Single Appropriation

- **Reports & Studies*:**

- Defense Innovation Board Software Acquisition and Practices

https://media.defense.gov/2019/Jan/16/2002080473/-1/-1/0/DIB_APPROPRIATIONS_SUBGROUP_REPORT_2019.01.15.PDF

- Section 809 Panel

https://discover.dtic.mil/wp-content/uploads/809-Panel-2019/Volume1/Recommendation_18.pdf

- **DoD Leadership:**

- OUSD(C) and OUSD(A&S) worked closely to initiate the BA-8 pilot through the FY21 appropriations act
- Components have supported expanding number of pilots

- **Congressional staff:**

- Rebuffed DoD attempts to add new pilot programs in FY22/FY23
- Seeking quantitative metrics that prove the BA-8 pilot programs have performed better

*Concept of a single appropriation for Information Technology predates these reports

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The BA-8 Tale of Years

- **Mid-FY21 Approval**
 - FY21 began under Continuing Resolution
 - BA-8 pilot programs ran into challenges after BA-8 approval
 - Significant administrative work to establish pilot agreements and produce quarterly reports to Congress
- **FY22 Continuation**
 - Programs had much fewer challenges during CR
 - Because they are RDT&E, BA-8 funds carried over from FY21
 - BA-8 team explored alternative approaches to collecting performance metrics
- **FY23 Adjustments**
 - Pilot program stakeholders mostly comfortable with BA-8
 - Addressing SAC-D concerns with data collection

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BA-8 Initial Findings (from Oct 2021)

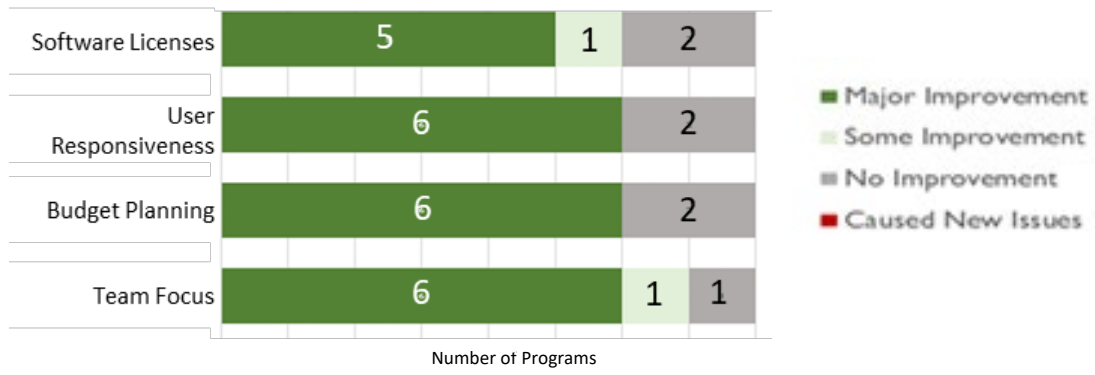
Themes Identified by FY21 BA-8 Programs	Brief Description
Software Licenses, Subscriptions, and Services	A single appropriation allows programs to more easily procure critical software to increase cybersecurity posture and increase system capability.
Lowered Barriers to Small Businesses	A single appropriation supports the ability to implement FAR preference of modular contracting, streamlines Contract Line Item Numbers and allows the opportunity for small businesses to compete.
User Responsiveness and Work Optimization	A single appropriation streamlines custom software management—allowing priorities to be identified by users and quickly implemented regardless of classification of work: new capability, sustainment, or software fixes.
Budget Planning Risk	A single appropriation allows increased responsiveness to changing technological environment, providing the opportunity to plan at higher level, similar to best practices in modern software development.
Team Focus	A single appropriation eliminates management across different activities—modernization (RDT&E) vs. sustainment (O&M)—focusing team on providing critical warfighter or business capability.

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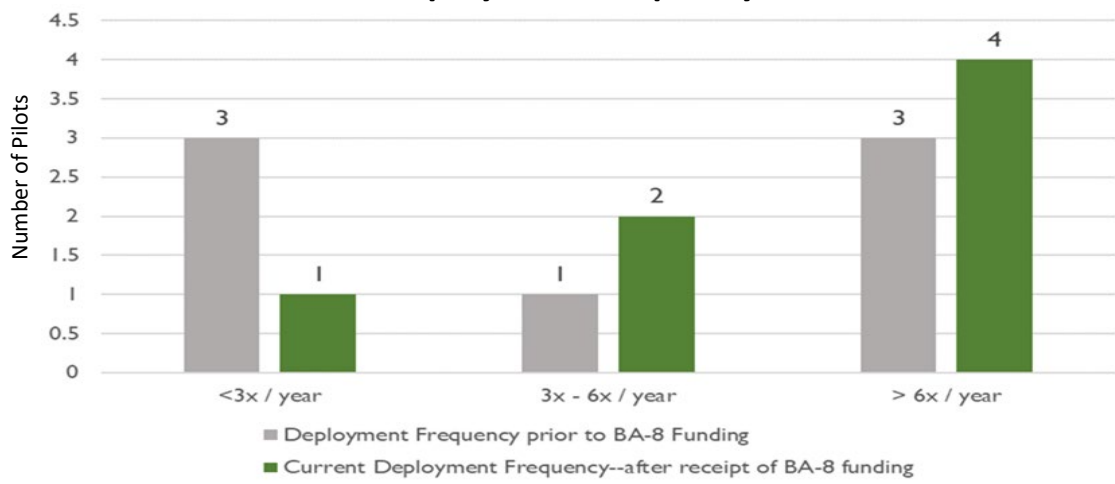


Some Qualitative & Quantitative Metrics

Program Reporting of Benefits



Deployment Frequency



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Current Status of BA-8

- **Congress disapproved new pilots for FY23**
 - Continued support for the original FY21 pilots
 - OUSD(C) is backing out any new proposed pilot programs
- **DoD is providing Congress greater data for insight**
 - Continuing to provide qualitative feedback
 - Providing greater detail of each pilot program's activities
 - Improving collection of software pathway measures based on DevOps Research and Assessment measures



BACKUP



Budget Activity-8 (BA-8)

BA-8 funding is designed to reduce impediments from managing multiple appropriations for modern software development to enable faster deliveries, improved responsiveness, and user satisfaction.

Overview

- Realigns funding across multiple appropriations to a new Software and Digital Technology Budget Activity
- Informed by DIB and DSB recommendations
- Multi-year effort to collect data and feedback to inform a final recommendation
- Not a silver bullet – DoD has other challenges impeding software development
- Congress denied proposed FY22 pilots – DoD submitted 13 new pilots for FY23

Improvement Areas

- Software licenses, subscriptions, services
- Lower barriers to small businesses
- Increase responsiveness to changing user needs and threats
- Reduce budget planning risk
- Team focus
- Facilitate modern software practices

Pilot Programs

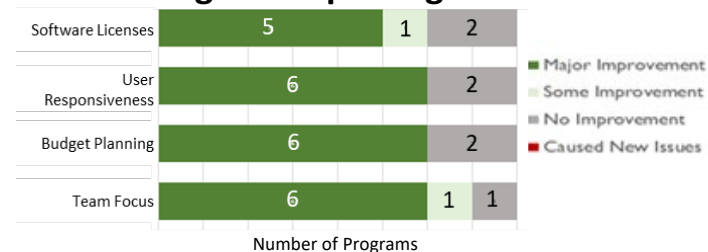
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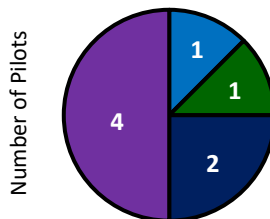
FY21 Appropriation

\$697M

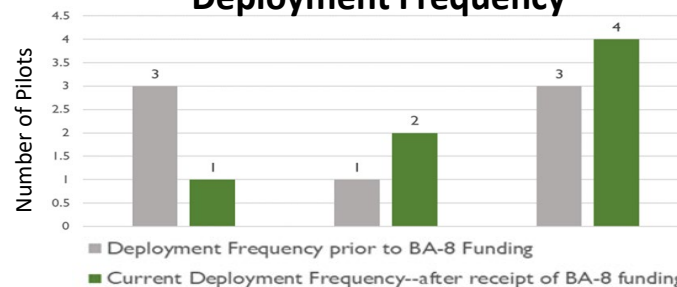
Program Reporting of Benefits



Component



Deployment Frequency



Limited additional data expected from current pilots – need FY23 expansion