

Fiscal Year (FY) 2008/FY 2009 Budget Estimates

DEFENSE ACQUISITION UNIVERSITY



February 2007

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DEFENSE ACQUISITION UNIVERSITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2008/FY 2009 Budget Estimates

Operation and Maintenance, Defense-Wide Summary (\$ in thousands)

	FY 2006 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	*FY 2007 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2008 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2009 <u>Estimate</u>
BA-3:										
Recruitment and Training	109,421	2,777	-8,541	103,657	2,732	-1,793	104,596	2,509	5,949	113,054

*The FY 2007 column includes the \$2,444K as justified for Facilities, Sustainment, Renovation and Modernization in the FY 2007 President's Budget.

I. Description of Operations Financed:

The Defense Acquisition University (DAU) is a government "corporate" university of the Department of Defense, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD (AT&L)). To accomplish its mission of providing practitioner training and services to over 134,000 Department of Defense employees across 15 career fields, DAU provides a full range of certification training (required for all 134,000 to qualify for advancement), assignment-specific training, performance support, continuous learning opportunities, and knowledge sharing. In addition, DAU provides travel funds to the Service students to cover travel and per diem costs for the personnel who come to the various DAU campuses for training. The DAU provides students with relevant learning solutions, a responsive faculty and staff, and a continuous connection to the broader AT&L community. The University has achieved **award-winning results since FY 2002 while increasing students trained and reducing the cost per student.**

DAU Headquarters is located at Fort Belvoir, Virginia, where DAU maintains a headquarters staff for centralized academic oversight, a robust curriculum development center, and an e-learning and technology development directorate. In addition, DAU has strategically located five regional campuses in areas where there is a high concentration of DoD AT&L workforce members:

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I. Description of Operations Financed (continued):

- **West** - San Diego, California (serves a workforce of 26,000)
- **Midwest** - Wright Patterson Air Force Base, Ohio (serves workforce of 20,000)
- **South** - Huntsville, Alabama (serves workforce of 27,000)
- **Mid-Atlantic** - Patuxent River, Maryland (serves workforce of 23,000)
- **Capital and Northeast** - Fort Belvoir, Virginia (serves workforce of 38,000).

The DAU also includes the Defense Systems Management College-School of Program Managers at Fort Belvoir for executive and international training.

AT&L Performance Learning Model (PLM):

The centerpiece of the DAU experience is the AT&L Performance Learning Model. This learning and development strategy provides each member of the AT&L Workforce with more control over his or her career-long learning opportunities. The PLM extends the learning experience from traditional classroom instruction to a variety of learning solutions that are available anytime, anywhere.

The PLM components include:

Training through web-enabled, hybrid, and classroom courses that include case-based instruction aimed at developing critical thinkers. Training encompasses two key functions of teaching and curriculum development to cover the full spectrum of preparing, presenting, and updating courses continuously to infuse perpetual improvement.

Continuous Learning with self-paced, relevant training modules, available 24/7, to help meet continuous learning requirements and improve job performance; the functions of teaching and curriculum development also support this PLM component.

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I. Description of Operations Financed (continued):

Performance Support, offering rapidly-delivered business solutions to students and their organizations supplementing the classroom experience through on-site consulting, targeted train, and rapid deployment training.

Knowledge Sharing through the AT&L Knowledge Sharing System and the Acquisition Community Connection connect with experts, peers, and technical resources.

The **DAU Research program** exists to improve the DoD acquisition process and its management. Its mission is to perform research and analysis of defense acquisition policy issues from an academic perspective. This encompasses the entire range of acquisition issues including but not limited to: policy, education, management, leadership, and functional areas within the acquisition community. DAU faculty members join in cooperative ventures with other acquisition practitioners within and outside the government, universities, functional organizations, and private industry partners to provide quality, valuable research projects to DoD and the entire acquisition workforce.

Acquisition workforce career management serves as the liaison between DoD and component senior leadership and DAU with respect to learning and development initiatives and workforce requirements. It is also responsible for development, maintenance, and implementation of the AT&L Human Capital Plan, AT&L Workforce data systems, and recruiting initiatives.

Training Courses: Certification, Assignment-specific, Executive and International

The DAU delivers over 1,200 course offerings per year in classroom settings at five regional campuses, ten satellite locations, via the internet, or at customer sites.

Continuous Learning: Continuous Learning Modules

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I. Description of Operations Financed (continued):

DAU's Continuous Learning Center (CLC) contains self-paced continuous learning modules that are available 24/7 to help meet continuous learning requirements and improve job performance.

Performance Support: Consulting, Targeted Training, and Rapid Deployment Training

The DAU provides performance support services to DoD and other government agencies to help resolve agency-level acquisition and individual project problems. DAU also provides immediate training on new policy initiatives.

Knowledge Sharing: AT&L Knowledge Sharing System, Acquisition Community Connection, and Virtual Library

The DAU hosts the AT&L Knowledge Sharing System (AKSS) and the Acquisition Community Connection (ACC). AKSS is the central gateway for all AT&L resources and information. ACC is the collaborative arm of AKSS with a variety of knowledge communities.

Building Compelling Evidence of Results for Stakeholders

The DAU has successfully met its challenge of serving significantly increasing numbers of students who are in need of DAWIA certification training with no real increase in budget by improving in many areas. Since 1998, the DAU has increased students trained from 33,000 to over 114,000 per year while reducing faculty/staff authorizations from 643 to 540 and student travel costs from \$31 million to \$19 million per year.

Over this time, the DAU reduced the average training cost per student 66 percent. The DAU reprioritized resources into e-learning initiatives, curricula modernization, and other greater initiatives. The faculty continues to receive high marks from students and their supervisors in response to survey questions.

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I. Description of Operations Financed (continued):

The DAU is a best-in-class corporate university. Together with its cost performance and forward-looking initiatives, these awards and recognition provide stakeholders compelling evidence that DAU provides a value-added contribution to the overall all mission of the organization:

2003 - Gold medal winner of Brandon Hall Best Practices for e-Learning

2003 and 2004 - Winner of the American Society of Training and Development BEST Award (2004 1st place among 83 organizations worldwide)

2003 - Winner of Corporate University Xchange Excellence Award for Measurement

- Selected in Training Magazine Top 100
- Selected by CLO Magazine for Two Best Practices
- Chief Learning Officer of the Year by CLO Magazine

2005 - Best Leadership Development Government/Military by Leadership Excellence

2006 Corporate University Best-in-Class (CUBIC) Awards

- Corporate University Leader of the Year
- Best Overall Corporate University
- Best Virtual Corporate University
- Best Mature Corporate University

II. Force Structure Summary: N/A

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	FY 2006	FY 2007					Current Estimate	FY 2008 Estimate	FY 2009 Estimate
		Budget	Congressional Action			Approp			
			Request	Amount	Percent				
A. BA 3:	<u>Actuals</u>	<u>Request</u>	<u>Amount</u>	<u>Percent</u>	<u>Approp</u>				
<u>Training and Recruiting</u>									
Teaching	67,206	64,289	-623	-1.0	63,666	63,666	64,243	66,418	
Curriculum Development	11,466	10,968	-106	-1.0	10,862	10,862	10,960	16,248	
Performance Support	13,561	12,972	-126	-1.0	12,846	12,846	12,962	13,401	
Knowledge Sharing	8,803	8,421	-82	-1.0	8,339	8,339	8,415	8,700	
Research	1,440	1,377	-13	-0.9	1,364	1,364	1,376	1,423	
Acquisition Workforce	6,945	6,644	-64	-1.0	6,580	6,580	6,640	6,864	
Total	109,421	104,671	-1,014	-3.3	103,657	103,657	104,596	113,054	

B. Reconciliation Summary:

	Change <u>FY 2007/FY 2007</u>	Change <u>FY 2007/FY 2008</u>	Change <u>FY 2008/FY 2009</u>
Baseline Funding	104,671	103,657	104,596
Congressional Adjustments			
Distributed			
Undistributed	-550		
General Provisions	-413		
Congressional Earmarks	-51		
Price Change		2,732	2,509
Functional Transfers/Reprogramming			
Program Change		-1,793	5,949
Current Estimate	103,657	104,596	113,054

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III. Financial Summary (\$ in Thousands)(continued)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2007 President's Budget Request (Amended, if applicable)		104,671
1. Congressional Adjustments		-1,014
a. Distributed Adjustments		
b. Undistributed Adjustments - Unobligated Balances	-550	
c. Adjustments to meet Congressional Intent		
d. General Provisions		
1) Sec 8106 - Economic Assumptions	-341	
2) Sec 8097 - Excessive Growth in Travel and Transportation	-72	
e. Congressional Earmarks - Indian Lands Environmental Impact	-51	
FY 2007 Appropriated Amount		103,657
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2007 Baseline Funding		
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2007 Estimate		103,657
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2007 Normalized Current Estimate		103,657
6. Price Change		2,732
7. Functional Transfers		
8. Program Increases		
a. Annualization of New FY 2007 Program		
b. One-Time FY 2008 Increases		
c. Program Growth in FY 2008		
1) Two additional workdays in FY 2008. (FY 2007 Baseline: \$54,144)	513	
2) Military to civilian conversions. Sixteen Army positions will convert. Pays for 8 FTEs. (FY 2007 Baseline: \$54,144)	496	
9. Program Decreases		

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III. Financial Summary (\$ in Thousands)(continued)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
a. Annualization of FY 2007 Program Decreases		
b. One-Time FY 2007 Increases		
c. Program Decreases in FY 2008		
1) Facilities maintenance by contract. Transferred out of O&M,D-W appropriation in FY 2008. (FY 2007 Baseline: \$2,444)	-2,503	
2) Travel decreases due to the use of the Cost Effective Location (CEL) module. The CEL is a software program that uses ZIP codes to calculate distance from a student's home/work address to a DAU training facility or local site. Calculations use GSA city pair airfare rates and per diem rates. The CEL module identifies the most cost effective location with available training seats. (FY 2007 Baseline: \$22,916)	-299	
FY 2008 Budget Request		104,596
10. Price Change		2,509
11. Functional Transfers		
12. Program Increases		6,170
a. Annualization of New FY 2008 Program		
b. One-Time FY 2009 Increases		
c. Program Growth in FY 2009		
1) Defense Acquisition Workforce Improvement Act (DAWIA) courses change/redesign including content and delivery changes:		
• BCF 101, Fundamentals of Cost Analysis		
• BCF 204, Intermediate Cost Analysis		
• BCF 205, Contractor Business Strategies		
• BCF 206, Cost Risk Analysis		
• BCF 207, Economic Analysis• BCF 208, Software Cost Estimating		
• BCF 215, Operating and Support Cost Analysis		
• BCF 301, Business, Cost Estimating, And Financial Management Workshop		
These changes will yield approximately \$1.2 million in savings and cost avoidances to the Services and DAU. (FY 2008 Baseline \$0)	2,600	

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III. Financial Summary (\$ in Thousands)(continued)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
2) Engaged Learner Concept - DAU continues to expand workforce resources, keeping the workforce apprised of new resources and how to use them in job performance. With the DoD emphasis on combating asymmetrical events, sudden variations in resource allocation are also prevalent. Adding a potentially unlimited number of environments, students could theoretically self-generate thousands of project management game variations. A pre-constructed simulation environment could present students with an advanced organizer to help them recognize management patterns prior to executing their acquisition or project management strategies. DAU will develop continuous learning modules and is starting development of a robust learning assets integration engine to deliver prioritized and sequenced learning assets to the AT&L workforce. (FY 2008 Baseline \$0)	1,595	
3) Military to civilian conversions. Twelve Air Force billets convert to civilian positions in FY 2009. Funding provides for 6 FTEs plus 8 FTEs for the remaining Army billets that converted in FY 2008. (FY 2008 Baseline: \$56,669)	1,145	
4) Program Management New Development - The delivery approach for the distance learning module for Intermediate Systems Acquisition, Part A (aka ACQ 201A) has been unchanged since initial fielding in 2001. ACQ 201A uses computer-based training to prepare mid-level acquisition professionals to work in integrated product teams by understanding systems acquisition principles and processes. The delivery approach uses a large amount of audio narration coupled to avatars (cartoon characters). While this distance learning educational construct was in vogue at the time of the development of this course, the learning audience has evolved, as have the needs of the AT&L workforce. DAU has received geometrically negative increases in student feedback to ACQ 201A. The maintenance of the current delivery approach is also costly because acquisition policy and process changes cause the course to require constant updating. Changes also require IT specialists in older software that is no longer current. (FY 2008 Baseline \$0)	830	

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III. Financial Summary (\$ in Thousands)(continued)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
13. Program Decreases		-221
a. Annualization of FY 2008 Program Decreases		
b. One-Time FY 2008 Increases		
c. Program Decreases in FY 2009		
1) One less paid day in FY 2009. (FY 2008 Baseline: \$56,669)	-221	
FY 2009 Budget Request		113,054

IV. Performance Criteria and Evaluation Summary

Evaluation is an important part of ensuring quality and mission success. To become a "premier corporate university," evaluation is not a choice; it is an imperative. The University established robust evaluation and feedback mechanisms for all products and services to ensure it meets its customers' needs. DAU carefully analyzes comments and results and makes timely, effective enhancements to learning solutions. DAU uses several methods to link and assess the impact of learning on individual and organizational performance. More importantly, the DAU uses the results of its evaluation program to improve faculty performance, delivery, facilities, content, curricula, and relevance to the job, applicability, and effect on the student's organization.

At the end of each course and Continuous Learning Module, faculty and staff survey students on aspects of the course including course content, course work, faculty, and job applicability. For in-resident course, students take the survey on-line while they are still in the classroom. For distance learning courses, students must answer the survey before they can print the course completion certificate. Faculty members and course managers have full access to the results for their courses. Both faculty and course managers review results and work to address shortfalls. After 60 days, for selected courses, students and their managers receive e-mail follow-up surveys. After six months, for selected courses, DAU tries to

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IV. Performance Criteria and Evaluation Summary (continued):

determine the impact of the training on the organization. Non-course comments or site-specific technical questions about the CLC are e-mailed to the help desk.

Users of DAU's knowledge sharing systems provide feedback through on-line comment areas. On the AKSS homepage, they can click the "we want your feedback - again" button. Users of the ACC can provide feedback through the "contact us" link. DAU reviews comments weekly and incorporates improvements and suggestions as appropriate.

The customer provides feedback at the end of each consulting effort. Following each targeted training event, students respond to an on-line course survey similar to the one used for certification and assignment-specific courses. The DAU reviews the results for both consulting and targeted training efforts and incorporates improvements. Evaluation data, comparatives, benchmarking, and trends are also key elements in the DAU's overall performance measurement program. Each quarter during the Enterprise Performance Review and Analysis (EPRA), DAU reviews the performance and progress for all performance targets and selected operational metrics. DAU conducts an enterprise-wide program review at the end of the year. EPRA and management decisions are made based on past performance to develop the next year's annual performance plan and program funding and continuance.

Improvements brought about by these management processes yield the timely and reliable financial management data necessary to achieve the remarkable results DAU has achieved. As a result, management makes information-based decisions in the context of past results and allocates resources as appropriate. Specifics: Tracking and reporting macro models, comparative analyses and benchmarking by other organizations and internally comparing courses, regions, faculty, delivery methods, and environments.

The DAU evaluates all of its products and services. It is vital to show substantial evidence of "value-added contributions" to acquisition stakeholders.

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IV. Performance Criteria and Evaluation Summary (continued):

	Actual FY 2006	Estimate FY 2007	Estimate FY 2008	Estimate FY 2009
Number of Students Trained				
Classroom	35,697	36,768	37,320	37,507
Web-based	77,582	80,232	83,220	85,679
Total	113,279	117,000	120,540	123,186

DAU uses students trained as the optimal measure for mission performance. Students who successfully complete specified DAWIA course requirements are tallied as the key output measure. The ultimate goal is DAWIA certification to meet legislated mandates while improving the DoD acquisition posture. The majority of effort occurs via web-based delivery to facilitate maximum learning flexibility.

Army	32,437	34,250	35,278	36,336
Navy	26,342	27,036	27,847	28,682
Air Force	25,788	26,500	27,295	28,114
DoD	12,449	14,000	14,420	14,853
Other	16,263	15,214	15,700	15,201
Total	113,279	117,000	120,540	123,186

DAU works closely with Services' and Agencies' Directors, Acquisition Career Management to manage accession, training, education, and career development of their respective components' AT&L workforce. Each component receives training allocations annually which are resourced and executed by the University IAW DAWIA legislation.

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IV. Performance Criteria and Evaluation Summary (continued):

	Actual FY 2006	Estimate FY 2007	Estimate FY 2008	Estimate FY 2009
BA # Training and Recruiting (\$000)	109,421	103,657	104,596	113,054
Average Cost per Student	996	886	868	918
Year/Year change		-8.3%	-2.1%	5.8%
Change from FY 2006		-8.3%	-10.2%	-5.0%

DAU's operating budget is best quantified in terms of performance measurement and results achieved using total students trained. DAU's history, charter, and mission all emanate from DAWIA mandates to standardize and improve DoD's acquisition posture. Average cost per student uses the total population of students trained in proportion to the dollars required. This highlights consistently that productivity has improved despite relatively flat increases in dollars.

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V. Personnel Summary

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Change FY 07/FY 08</u>	<u>Change FY 08/FY 09</u>
Active Mil End Strength						
Officer	54	66	66	62	-	-4
Enlisted	34	37	21	13	-16	-8
TOTAL	88	103	87	75	-16	-12
Civilian End Strength						
US Direct Hire	426	441	457	469	+16	+12
Active Mil Avg Strength						
Officer	66	66	66	62	-	-4
Enlisted	37	37	21	13	-16	-8
TOTAL	103	103	87	75	-16	-12
Civilian FTEs						
US Direct Hire	428	437	445	459	+8	+14

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VI. OP 32 Line Items as Applicable (Dollars in Thousands):

TITLE	FY 2006 Actual	<u>Change from FY 2006/2007</u>			<u>Change from FY 2007/2008</u>		<u>Change from FY 2008/FY 2009</u>			FY 2009 Estimate
		Price Growth	Prog Growth	FY 2007 Estimate	Price Growth	Prog Growth	FY 2008 Estimate	Price Growth	Prog Growth	
Exec, Gen and Special Schedule	50,554	1,226	1,908	53,688	1,503	1,000	56,191	1,391	1,039	58,621
Wage Board	382	9	65	456	13	9	478	12	-3	487
TOTAL CIV PERS COMPENSATION	50,936	1,235	1,973	54,144	1,516	1,009	56,669	1,403	1,036	59,108
Travel of Persons	22,357	559		22,916	550	-299	23,167	533		23,700
TOTAL TRAVEL	22,357	559		22,916	550	-299	23,167	533		23,700
Defense Publication and Printing Svc	1,505	116		1,621	64		1,685	39		1,724
TOTAL PRINTING & PUBLICATION SVCS	1,505	116		1,621	64		1,685	39		1,724
Rental Payment to GSA (SLUC)	1,655	41		1,696	42		1,738	43		1,781
Purchased Communications (non IF)	1,023	26		1,049	25		1,074	25		1,099
Rents (non GSA)	103	3		106	3		109	3		112
Supplies and Materials (non SF)	1,200	30		1,230	30		1,260	29		1,289
Equipment Maintenance by Contract	721	18		739	18		757	17		774
Facilities Maintenance by Contract	5,069	127	-2,752	2,444	59	-2,503				
Equipment Purchases (non SF)	4,144	104	-2,078	2,170	52		2,222	51		2,273
Mgt and Prof. Support Svcs	70	2		72	2		74	2		76
Other Contracts	20,638	516	-5,684	15,470	371		15,841	364	4,913	21,118
TOTAL OTHER PURCHASES	34,623	867	-10,514	24,976	602	-2,503	23,075	534	4,913	28,522
TOTAL	109,421	2,777	-8,541	103,657	2,732	-1,793	104,596	2,509	5,949	113,054

The FY 2007 column includes the \$2,444K as justified for Facilities, Sustainment, Renovation and Modernization in the FY 2007 President's Budget.

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