

Fiscal Year 2016 Budget Estimates
Department of Defense
Acquisition Workforce Development Fund
(DAWDF)



February 2015

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**Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2016 Budget Estimates**

**Operation and Maintenance, Defense-Wide Summary (\$ in thousands)
Budget Activity 1: Acquisition Workforce Development Fund**

	FY 2014 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2015 <u>Enacted</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2016 <u>Estimate</u>
DAWDF	432,747	6,329	62,862	501,938	7,620	-18,232	491,326

*FY 2015 columns represent planned obligations from all available appropriation during the respective fiscal year. *10 U.S.C. 1705 para.3 D (6)**Duration of availability.**— Amounts credited to the Fund in accordance with subsection (d) (2), transferred to the Fund pursuant to subsection (d) (3), appropriated to the Fund, or deposited to the Fund shall remain available for obligation in the fiscal year for which credited, transferred, appropriated, or deposited and the two succeeding fiscal years.

I. Description of Operations Financed:

\$1,000s	FY 2014 Actuals	FY 2015 Appropriated	FY 2016 Request
Appropriated or Requested	51,031	83,034	84,140
Remittance Amount	588,969	476,966	395,860
Total Credit to Account ¹	640,000	560,000	480,000
Carried Forward from Prior Year	437,000	644,253	702,315
Total Obligation Authority ²	1,077,000	1,204,253	1,182,315
Actual or Planned Obligation ³	432,747	501,938	491,326
¹ Complies with 10 USC 1705 which authorizes the Secretary of Defense to waive up to 20 percent of the amounts required to be credited to the DAWDF each FY.			
² Equals the sum of: (1) amounts appropriated in the respective FY, (2) the amount of remittance required to be credited to the account in the respective FY, and (3) unobligated balances from FY remittance amounts carried forward. FY balances carried forward cannot be used to meet the minimum amount required to be credited to the DAWDF in each FY IAW 10 USC 1705.			
³ Amounts obligated, or planned to be obligated from all available periods of availability. *FY14 Actual obligations include: FY14/14, \$51.031M, FY12/14, \$77.334M and FY13/15, \$304.383M.			
* FY15 and FY16 columns represent planned obligations from all available appropriations during the respective FY.			
* 10 USC 1705 para. 3 D (6) Duration of availability - Amounts credited to the Fund in accordance with subsection (d) (2), transferred to the Fund pursuant to subsection (d) (3), appropriated to the Fund, or deposited to the Fund shall remain available for obligation in the FY for which credited, transferred, appropriated or deposited and the two succeeding FYs.			

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I. Description of Operations Financed (cont.)

The FY 2016 budget request of \$84.140 million for the Defense Acquisition Workforce Development Fund (DAWDF) supports the strategic objectives and continuous improvement of the defense acquisition workforce. The DAWDF will fund prior hires under the original initiative to rebuild workforce capacity from the 1990's downsizing (funded for up to three years). Hiring under this initiative has contributed to creating improved year group staffing to ensure a sufficiently sized future, experienced workforce. The funding levels will support acquisition workforce professionalization, training, development, qualifications, and currency. Funded initiatives support the intent of the Defense Acquisition Workforce Improvement Act (DAWIA), the purpose of the 10 U.S.C. 1705 DAWDF, fulfilling strategic workforce planning requirements of 10 U.S.C. 115b, qualification and career path requirements of 10 U.S.C. 1723, and strategic workforce objectives under the DoD Better Buying Power (BBP) initiative, to achieve greater efficiency and productivity in Defense spending. Implementation of the BBP initiatives is dependent on a qualified and professional acquisition workforce. Continuous improvement and currency of the acquisition workforce throughout the career lifecycle is critical to achieving increased buying power while modernizing and resetting our military force, improving acquisition productivity and outcomes, and ensuring technological superiority for the future.

The DAWDF has supported workforce shaping and quality improvements to include funding approximately 9,800 cumulative hires through FY 2014 for two categories of hiring initiatives: 1) hiring to rebuild workforce capacity for critical functions in response to the 1990's downsizing and to build the future workforce; and 2) limited critical needs hiring to mitigate gap challenges and ensure continuity for critical acquisition functions. The DAWDF-funded rebuilding strategy reshaped acquisition workforce year groups from a workforce in which the majority were senior career to a workforce with better balance across the early, mid and senior year groups. The workforce has been strategically shaped to support future year group capacity and experience needs into 2020 and 2030.

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I. Description of Operations Financed (cont.)

Following through on the training and development of the recently hired workforce is lead time critical to ensuring the future 2020 - 2030 workforce is ready -- trained, experienced, and qualified -- for leading and successfully accomplishing the next generation of major acquisition responsibilities. Continuous improvement and currency of the acquisition workforce throughout the career lifecycle, although challenging during a tough chapter of declining budgets, is critical to achieving increased buying power while modernizing and resetting our military force, improving acquisition outcomes, ensuring acquisition readiness to meet national security strategy changes, to meet contingency operations and operational contracting support, and for ensuring technological superiority to maintain the warfighter's decisive edge.

Central to the successful training, education, certification and currency of the acquisition workforce is the Defense Acquisition University (DAU). In FY 2014, DAWDF funding continued to support improvements to training capacity. DAU expanded capacity to over 57,000 classroom seats and distance learning capacity that can support over 160,000 students. Also, the DAWDF was used by DAU to continue enhancements to training curriculum, to include changes in DAU's learning assets to emphasize achieving Better Buying Power, improved business acumen and other workforce capability priorities. Components also continued to provide targeted technical, business and professional training and development for their acquisition workforce professionals.

Title 10 U.S.C. 1705 Defense Acquisition Workforce Development Fund (DAWDF) supports creating and sustaining a right-sized, right-shaped, right-skilled, current and qualified acquisition workforce. The law, as revised by the FY 2013 NDAA, requires \$600 million in credits to the fund for FY 2016. The credits are a combination of appropriated DAWDF funding and remittances to resource the fund from the military services and defense

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I. Description of Operations Financed (cont.)

agencies. The law further states the Secretary of Defense may reduce an amount (the floor) for a fiscal year if the amounts are greater than is reasonably needed for purposes of the fund for a fiscal year, but may not reduce the amount for a fiscal year to an amount that is less than 80 percent of the amount specified in the law. DoD has consistently used the floor amount since FY 2011.

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I. Description of Operations Financed (cont.)

RECRUITING AND HIRING

(\$ in Millions)

FY 2014	FY 2015	FY 2016
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
\$197.7	\$195.3	\$209.2

Recruiting and Hiring:

The DAWDF has supported workforce shaping of mission critical functions consistent with strategy to include funding approximately 9,800 cumulative hires through FY 2014. These hires added engineering, contracting and other critical function capacity as part of rebuilding the workforce from the 1990's downsizing and building the future workforce. The hiring also included limited advance replenishment hiring and limited Highly Qualified Expert (HQE) subject matter expert hiring to mitigate gap challenges and ensure continuity for critical acquisition functions. A key outcome of the DAWDF-funded rebuilding strategy is the reshaping and improvement of acquisition workforce year groups. Workforce year groups, as measured by Years to Retirement Eligibility, reflect better balance across the early, mid and senior career year groups. The workforce has been strategically shaped to future year group capacity and experience levels into 2020 and 2030. In addition, the initiative outcomes also mitigate the risk of extensive experience loss through the retirement losses of its senior career workforce. Approximately 50 percent of Defense Acquisition Workforce civilians are or will become eligible for full retirement over the next 10 years. Sixteen percent of acquisition workforce civilians are currently eligible for full retirement, 19 percent will become eligible in five years, and 16 percent will become eligible in 6-10 years. DoD has completed approximately 99% of the hiring towards the original DAWDF-funded rebuilding objective. DoD will continue a limited hiring capability for critical needs as a tool to mitigate experience shortfalls, provide coaching, ensure knowledge transfer, and support continuity for critical positions.

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I. Description of Operations Financed (cont.)

TRAINING AND DEVELOPMENT

(\$ in Millions)

FY 2014	FY 2015	FY 2016
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
\$185.4	\$234.3	\$230.1

Training and Development: The Department will implement more rigorous qualification, and currency requirements, to enable all who contribute to acquisition results to be fully trained and qualified for success. This supports DoD's Better Buying Power objectives and 10 U.S.C. 1723 qualification and career path requirements. Also, DoD will demonstrate a strong commitment to the newly hired early career workforce and mid-career workforce. Components will use the DAWDF for on-the-job and other targeted professional, technical and leadership training and development. DoD will use the DAWDF for continued enhancements to DAU's training to include training on requirements, small business utilization, and the acquisition of services. DAU will also use the DAWDF to deploy an enterprise training information system and improve other training resources for the workforce. DAU will also use the DAWDF to sustain and optimize training capacity improvements. In addition, DoD will use the DAWDF to support improved training and joint exercises to improve readiness for improved expeditionary contracting and Operational Contractor Support.

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I. Description of Operations Financed (cont.)

RECOGNITION, RETENTION and WORKFORCE DEVELOPMENT

(\$ in Millions)

FY 2014	FY 2015	FY 2016
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
\$49.6	\$72.3	\$52.0

Recognition and Retention: DoD's Better Buying Power initiatives include the overall objective to improve the professionalism of the total acquisition workforce. This includes increasing the recognition of workforce excellence in acquisition management and use of funding for retention-type incentives. In combination with the extensive loss of experienced senior career members DoD must retain its recently hired new and future workforce. Less than 10 percent of the DAWDF has been used for incentives such as Student Loan Repayments, Tuition Assistance and rotational assignments.

II. Force Structure Summary:

Not applicable.

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III. Financial Summary (\$ in thousands)

	FY 2015							FY 2016 Estimate
	FY 2014 Actual	Budget Request	Congressional Action			Current Enacted		
			Amount	Percent	Appropriated			
A. BA Subactivities								
1. Recruiting and Hiring	197,735	195,322	0	0.0	195,322	195,322	209,247	
Recruiting and Hiring	197,735	195,322	0	0.0	195,322	195,322	209,247	
2. Training and Development	185,377	234,302	0	0.0	234,302	234,302	230,059	
Training and Development	185,377	234,302	0	0.0	234,302	234,302	230,059	
3. Retention and Recognition	49,635	72,314	0	0.0	72,314	72,314	52,020	
Retention and Recognition	49,635	72,314	0	0.0	72,314	72,314	52,020	
Total	432,747	501,938	0	0.0	501,938	501,938	491,326	

*FY estimates represent planned obligations from all available appropriations during the respective FY.

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III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2015/FY 2015</u>	<u>FY 2015/FY 2016</u>
Baseline Funding	501,938	501,938
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	501,938	
Fact-of-Life Changes (2015 to 2015 Only)		
Subtotal Baseline Funding	501,938	
Supplemental		
Reprogrammings		
Price Changes		7,620
Functional Transfers		
Program Changes		-18,232
Current Estimate	501,938	491,326
Less: Wartime Supplemental		
Normalized Current Estimate	501,938	

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III. Financial Summary (\$ in thousands)

	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2015 President's Budget Request (Amended, if applicable)		501,938
1. Congressional Adjustments		
a. Distributed Adjustments		
1) Remittance amount required to bring total FY 2014 credits to \$640,000 (i.e., 80% of \$800,000 level per 10 U.S.C. 1705)		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
1) Carried forward to future fiscal years		
d. General Provisions		
FY 2015 Appropriated Amount		501,938
2. War-Related and Disaster Supplemental Appropriations		
3. Fact-of-Life Changes		
a. Functional Transfers		
1) Transfers In		
a) Remittance Amount		
b. Technical Adjustments		
1) Increases		
a) Enter Description		
c. Emergent Requirements		
1) Program Increases		
2) Program Reductions		
a) One-Time Costs		
b) Program Decreases		
i) Decreased programmatic requirements		
FY 2015 Baseline Funding		501,938
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2015 Estimate		501,938
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2015 Normalized Current Estimate		501,938
6. Price Change		7,620
7. Functional Transfers		
8. Program Increases		
a. Annualization of New FY 2015 Program		
b. One-Time FY 2016 Increases		
c. Program Growth in FY 2016		
1) Increase is requirements for Training and Development, and Retention and Recognition as DAWDF increases initiatives to retain personnel and further professionalize the acquisition workforce.		
9. Program Decreases		-18,232
a. Annualization of FY 2015 Program Decreases		
b. One-Time FY 2015 Increases		
c. Program Decreases in FY 2016		
1) Civilian Compensation related to reduced Recruiting and Hiring activities as DAWDF nears completion of its first objective to rebuild acquisition workforce capacity.	-18,232	
FY 2016 Budget Request		491,326

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IV. Performance Criteria and Evaluation Summary:

Not Applicable.

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<u>V. Personnel Summary</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	Change FY 2014/ FY 2015	Change FY 2015/ FY 2016
<u>Civilian End Strength (Total)</u>	<u>2,628</u>	<u>2,481</u>	<u>2,155</u>	-147	-326
U.S. Direct Hire	2,628	2,481	2,155	-147	-326
Total Direct Hire	2,628	2,481	2,155	-147	-326
<u>Civilian FTEs (Total)</u>	<u>2,868</u>	<u>2,029</u>	<u>1,952</u>	-839	-77
U.S. Direct Hire	2,868	2,029	1,952	-839	-77
Total Direct Hire	2,868	2,029	1,952	-839	-77
Average Annual Civilian Salary (\$ in thousands)	63.7	94.5	88.4	30.8	-6.1

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

<u>OP 32 Line</u>	<u>FY 2014 Actual</u>	<u>Change FY 2014/FY 2015</u>		<u>FY 2015 Enacted</u>	<u>Change FY 2015/FY 2016</u>		<u>FY 2016 Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	182,602	1,826	7,274	191,702	2,348	-21,567	172,483
199 Total Civ Compensation	182,602	1,826	7,274	191,702	2,348	-21,567	172,483
308 Travel of Persons	13,218	238	2,937	16,393	279	176	16,848
399 Total Travel	13,218	238	2,937	16,393	279	176	16,848
633 DLA Document Services	17	1	3	21	0	1	22
699 Total DWCF Purchases	17	1	3	21	0	1	22
912 Rental Payments to GSA (SLUC)	1,488	27	331	1,846	31	20	1,897
915 Rents (Non-GSA)	1	0	0	1	0	1	2
920 Supplies & Materials (Non-Fund)	112	2	24	138	2	2	142
921 Printing & Reproduction	87	2	19	108	2	1	111
922 Equipment Maintenance By Contract	1,746	31	388	2,165	37	23	2,225
923 Facilities Sust, Rest, & Mod by Contract	69	1	16	86	1	1	88
925 Equipment Purchases (Non-Fund)	153	3	34	190	3	3	196
932 Mgt Prof Support Svcs	17,083	307	3,796	21,186	360	228	21,774
957 Other Costs (Land and Structures)	1,776	32	396	2,204	37	22	2,263
987 Other Intra-Govt Purch	205,712	3,703	45,714	255,129	4,337	2,741	262,207
989 Other Services	8,683	156	1,930	10,769	183	116	11,068
999 Total Other Purchases	236,910	4,264	52,648	293,822	4,993	3,158	301,973
Total	432,747	6,329	62,862	501,938	7,620	-18,232	491,326