

**Fiscal Year (FY) 2019 President's Budget**

**Operation and Maintenance, Defense-Wide**

**Department of Defense Acquisition Workforce  
Development Fund**



**February 2018**

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

	<u>FY 2017</u> <u>Actuals</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2018</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2019</u> <u>Estimate</u>
DAWDF	405,721	7,347	86,932	500,000	6,415	-106,415	400,000

\*FY 2017 estimated obligations and FY 2018/2019 planned obligations represent obligations from all available funding resources 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:**

DAWDF Description of Operations Financed (\$000's)	<b>FY 2017</b> <b>Actuals</b>	<b>FY 2018</b> <b>Estimate</b>	<b>FY 2019</b> <b>Estimate</b>
Appropriated or Requested	\$ -	\$ -	\$ 400,000
Remittance Amount	\$ -	\$ -	\$ -
FY16 Transfer Amount made in FY17	\$ 100,000		
FY17 Transfer Amount	\$ 500,000	\$ -	\$ -
FY18 Transfer Amount	\$ -	\$ 500,000	
FY19 Transfer Amount	\$ -	\$ -	\$ -
TOTAL Credited to Account <sup>1</sup>	\$ 600,000	\$ 500,000	\$ 400,000
Carried forward to Prior Year <sup>2</sup>	\$ 835,003	\$ 29,104	\$ 29,104
FY17 NDAA Sec 1005 Transfer	\$ (475,000)	\$ -	\$ -
FY17 Omnibus Sec 8087 Recission <sup>3</sup>	\$ (531,000)	\$ -	\$ -
TOTAL Obligation Authority	\$ 429,003	\$ 529,104	\$ 429,104
Obligations <sup>4</sup>	\$ 405,721	\$ 500,000	\$ 400,000

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**I. Description of Operations Financed (cont.)**

1. Equals the sum of amounts: (1) appropriated in the respective FY, (2) the amount of remittance required to be credited to the account for the respective FY, and (3) transfers of unobligated balances to the account. The FY18 National Defense Authorization Act raised the 10 U.S.C. 1705 DAWDF ceiling from \$500M to \$600M. In response to the SAC-D FY18 Appropriations bill report language, DoD revised the resourcing approach from using transfers to all annual appropriations.
2. The FY17 NDAA section 1005 required a capital transfer of \$457M to Treasury during FY17
3. The FY17 Omnibus Appropriations Act section 8087 rescinded \$531M from DAWDF.

The FY 2019 appropriations request of \$400 million for the Defense Acquisition Workforce Development Fund (DAWDF) (the Fund) supports the 10 U.S.C. 1705 statutory purpose and strategic objectives for the defense acquisition workforce (AWF). The statutory purpose of the Fund is to ensure the Department of Defense acquisition workforce has the capacity, in both personnel and skills, needed to properly perform its mission, provide appropriate oversight of contractor performance, and ensure the Department receives the best value for the expenditure of public resources. The DoD acquisition workforce supports the Administration objective to rebuild the military while gaining full value of every taxpayer dollar spent on defense. DoD will use the DAWDF to sustain quality and improve the capability of the acquisition workforce. Funded initiatives are categorized as recruiting and hiring, training and development, and retention and recognition.

**RECRUITING AND HIRING**

(\$ in Millions)

FY 2017	FY 2018	FY 2019
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
\$162.7	\$200.2	\$153.2

	FY17	FY18	FY19
DAWDF Funded Hires (FTEs)	Actuals	Estimate	Estimate
Total across career fields	2,207	2,438	1,870

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**I. Description of Operations Financed (cont.)**

**Recruiting and Hiring:** The obligation plan supports the strategic objectives and need to sustain and focus on elevating and shaping AWF capability to achieve current and future requirements. The DAWDF-funded hiring provides components a workforce tool for shaping the workforce through intern, entry, journeymen and expert hires. Maintaining sufficient early and mid-career groups positions DoD for enhanced succession readiness to mitigates losses across the career life cycle to include very experienced civilian senior-career acquisition workforce members when they retire. As of FY 2017 Q4, 25,405 (17%) of the AWF civilians were eligible to retire and 25,576 (17.1%) are within five years of retirement eligibility. In FY 2017 DoD lost 4,222 (2.8%) of it civilian AWF to retirements. An additional 5,324 (3.6%) were lost to other non-retirement losses. The hiring enabled by DAWDF, combined with the use of recruiting- and retention-type incentives, enables components to improve workforce readiness and mitigate critical gap challenges.

**TRAINING AND DEVELOPMENT**

(\$ in Millions)

FY 2017	FY 2018	FY 2019
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
\$233.0	\$279.9	\$230.6

**Training and Development:** The obligation plan supports the strategic objectives and need to sustain and focus on elevating and shaping AWF capability to achieve current and future requirements. DAWDF is used by Component Acquisition Executives to meet 10 U.S.C. Chapter 87 acquisition workforce responsibilities are carried out. Responsibilities include providing AWF personnel with properly-phased education, training, and experience

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**I. Description of Operations Financed (cont.)**

opportunities to ensure they are qualified to perform the requirements of their positions and to facilitate development and sustainment of a professional, agile, high-performing workforce. DoD will use DAWDF to ensure comprehensive training for the AWF, with focus on the early and mid-career workforce. Training provided includes technical, leadership, and currency training as well as targeted workshops, critical throughout the career lifecycle to improving acquisition productivity and outcomes. DAU will use DAWDF for new and emerging workforce training requirements that serve the entire acquisition workforce. DAU will also use DAWDF to support student travel to DAU training to maximize the AWF meeting position certification requirements. In addition, DoD will continue to use the DAWDF to support training and joint exercises to improve readiness for expeditionary contracting and Operational Contractor Support. Congress has also provided authority through the FY 2017 and FY 2018 NDAs to use the DAWDF for human capital, talent management, benchmarking studies, assessments, requirements planning, DAWDF management, and tools to improve acquisition. These costs are included within the Training and Development category.

**RECOGNITION and RETENTION**

(\$ in Millions)

FY 2017	FY 2018	FY 2019
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
\$10.0	\$19.9	\$16.2

**Recognition and Retention:** The obligation plan supports the strategic objectives and need to sustain and reconfigure AWF capability to achieve current and future requirements. Historically, an average of 8 percent of the DAWDF has been used annually for recognition and retention. As part of the reduced FY17 program funding, components

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**I. Description of Operations Financed (cont.)**

adjusted priorities which resulted in recognition and retention initiatives being reduced to 4% of the FY17 executed program. The 4% level continues as part of the approved FY2018 DAWDF program of record and the proposed FY2019 program. In FY 2019, 16.2M (4%) is projected in DAWDF use to recognize workforce excellence across the acquisition life cycle and also for recruiting and retention-type incentives, such as Student Loan Repayments. The recognition and retention initiatives will be focused on mitigating the loss of experienced AWF members by incentivizing retention of certified and experienced early and mid-career AWF members.

**II. Force Structure Summary:**

Not applicable.

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III. Financial Summary (\$ in thousands)

	FY 2018						
	FY 2017 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>	FY 2019 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
<b>A. BA Subactivities</b>							
<b>1. Recruiting and Hiring</b>	162,717	200,220	0	0.0	0	200,220	153,176
Recruiting and Hiring	162,717	200,220	0	0.0	0	200,220	153,176
<b>2. Training and Development</b>	233,004	279,873	0	0.0	0	279,873	230,624
Training and Development	233,004	279,873	0	0.0	0	279,873	230,624
<b>3. Retention and Recognition</b>	10,000	19,907	0	0.0	0	19,907	16,200
Retention and Recognition	10,000	19,907	0	0.0	0	19,907	16,200
<b>Total</b>	<b>405,721</b>	<b>500,000</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>500,000</b>	<b>400,000</b>

Note 1. FY 2017 requirements exceeded \$500M and execution adjusted to reduced available funding. Annual program requirements, but on DoD-wide organization input is approximately \$720M.



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III. Financial Summary (\$ in thousands)

<b>B. <u>Reconciliation Summary</u></b>	<b>Change</b>	<b>Change</b>
	<b><u>FY 2018/FY 2018</u></b>	<b><u>FY 2018/FY 2019</u></b>
<b>Baseline Funding</b>	<b>500,000</b>	<b>500,000</b>
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
<b>Subtotal Appropriated Amount</b>	<b>500,000</b>	
Fact-of-Life Changes (2018 to 2018 Only)		
<b>Subtotal Baseline Funding</b>	<b>500,000</b>	
Supplemental		
Reprogrammings		
Price Changes		6,415
Functional Transfers		-42,146
Program Changes		-64,269
<b>Current Estimate</b>	<b>500,000</b>	<b>400,000</b>
Less: Wartime Supplemental		
<b>Normalized Current Estimate</b>	<b>500,000</b>	

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**III. Financial Summary (\$ in thousands)**

<b><u>C. Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
<b>FY 2018 President's Budget Request (Amended, if applicable)</b>		<b>500,000</b>
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
<b>FY 2018 Appropriated Amount</b>		<b>500,000</b>
2. War-Related and Disaster Supplemental Appropriations		
3. Fact-of-Life Changes		
<b>FY 2018 Baseline Funding</b>		<b>500,000</b>
4. Reprogrammings (Requiring 1415 Actions)		
<b>Revised FY 2018 Estimate</b>		<b>500,000</b>
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		
<b>FY 2018 Normalized Current Estimate</b>		<b>500,000</b>
6. Price Change		6,415
7. Functional Transfers		-42,146
a. Transfers In		
b. Transfers Out		
1) Attributable to the transfer of DAWDF requirements to DAU O&M funding to better align sustainment costs for the University. (FY 2018 Baseline: \$35,600 thousand; -38 FTEs)	-35,600	
2) Attributable to the transfer of DAWDF requirements to DCMA O&M funding for professional development, technical training and leadership development for acquisition personnel. (FY 2018 Baseline: \$6,546 thousand)	-6,546	
8. Program Increases		

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III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
a. Annualization of New FY 2018 Program		
b. One-Time FY 2019 Increases		
c. Program Growth in FY 2019		
9. Program Decreases		-64,269
a. Annualization of FY 2018 Program Decreases		
b. One-Time FY 2018 Increases		
c. Program Decreases in FY 2019		
1) Total TOA: Decreases	-64,269	
(FY 2018 Baseline: \$500,000 thousand; -530 FTEs)		
<b>FY 2019 Budget Request</b>		<b>400,000</b>

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**IV. Performance Criteria and Evaluation Summary:**

Section 1705 of title 10, establishes the DAWDF statutory purpose which is to ensure the DoD acquisition workforce (AWF) has the capacity, in both personnel and skills, needed to (1) properly perform its mission; (2) provide appropriate oversight of contractor performance; and (3) ensure that the Department receives the best value for the expenditure of public resources. The obligation plan supports the strategic objectives and need to sustain and focus on elevating and shaping AWF capability to achieve current and future requirements. Aligned with statutory intent and enterprise and component strategic needs, DAWDF-funded initiatives support workforce recruiting and hiring, shaping, training, development, qualifications, currency, recruitment, retention, and recognition.

Hiring. In FY 2019 Components will use the DAWDF to sustain workforce levels and maintain the workforce needed. Hiring will be used to address attrition concerns on an as-needed basis and to mitigate the impact of retirements of experienced personnel.

Training and Development. This funding supports Component technical, leadership and currency training to ensure acquisition workforce readiness and capability to successfully execute acquisition responsibilities in support of DoD priorities. DoD will also use DAWDF to support DAU student travel to maximize the AWF meeting position certification requirements by using the full-capacity of DAU certification training seats.

Retention and Recognition. DoD will use Student Loan Repayment, tuition assistance, recognition, recruiting, and retention incentives to effectively recruit and retain a highly qualified acquisition workforce.

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IV. Performance Criteria and Evaluation Summary:

<b>DAWDF</b>	<b>FY17 Actuals</b>	<b>FY18 Plan</b>	<b>FY18 Estimate</b>	<b>FY19 Plan</b>
<b>Hiring</b>	805	844	844	600
<b>Training</b>				
DAU certification seats	80,000	94,000	94,000	75,200
Advance Education classes	4,700	5,500	5,500	4,400
Leadership training seats	3,955	7,000	7,000	5,600
<b>Incentives</b>				
Student Loan Repayment	411	500	500	400
Recognition awards	200	300	300	240
Recruiting incentives	45	150	150	120
Retention incentives	50	200	200	160

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<u>V. Personnel Summary</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Change FY 2017/ FY 2018</u>	<u>Change FY 2018/ FY 2019</u>
<u>Civilian End Strength (Total)</u>	<u>1,924</u>	<u>2,563</u>	<u>1,800</u>	<u>639</u>	<u>-763</u>
U.S. Direct Hire	1,924	2,563	1,800	639	-763
Total Direct Hire	1,924	2,563	1,800	639	-763
<u>Civilian FTEs (Total)</u>	<u>2,207</u>	<u>2,438</u>	<u>1,870</u>	<u>231</u>	<u>-568</u>
U.S. Direct Hire	2,207	2,438	1,870	231	-568
Total Direct Hire	2,207	2,438	1,870	231	-568
Average Annual Civilian Salary (\$ in thousands)	80.1	82.1	81.9	2.0	-0.2

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

<u>OP 32 Line</u>	<u>FY 2017</u>	<u>Change</u>		<u>FY 2018</u>	<u>Change</u>		<u>FY 2019</u>
		<u>Actuals</u>	<u>FY 2017/FY 2018</u>		<u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	176,730	3,453	20,037	200,220	1,021	-48,065	153,176
<b>199 Total Civ Compensation</b>	<b>176,730</b>	<b>3,453</b>	<b>20,037</b>	<b>200,220</b>	<b>1,021</b>	<b>-48,065</b>	<b>153,176</b>
308 Travel of Persons	54,099	920	6,643	61,662	1,110	-12,456	50,316
<b>399 Total Travel</b>	<b>54,099</b>	<b>920</b>	<b>6,643</b>	<b>61,662</b>	<b>1,110</b>	<b>-12,456</b>	<b>50,316</b>
633 DLA Document Services	21	0	2	23	0	-23	0
<b>699 Total DWCF Purchases</b>	<b>21</b>	<b>0</b>	<b>2</b>	<b>23</b>	<b>0</b>	<b>-23</b>	<b>0</b>
771 Commercial Transport	1,003	17	104	1,124	20	-227	917
<b>799 Total Transportation</b>	<b>1,003</b>	<b>17</b>	<b>104</b>	<b>1,124</b>	<b>20</b>	<b>-227</b>	<b>917</b>
912 Rental Payments to GSA (SLUC)	2,006	34	6	2,046	37	-413	1,670
914 Purchased Communications (Non-Fund)	4,976	85	15	5,076	91	-1,025	4,142
915 Rents (Non-GSA)	400	7	1	408	7	1	416
920 Supplies & Materials (Non-Fund)	6,000	102	18	6,120	110	-1,236	4,994
921 Printing & Reproduction	700	12	2	714	13	-145	582
922 Equipment Maintenance By Contract	11,000	187	33	11,220	202	-2,267	9,155
923 Facilities Sust, Rest, & Mod by Contract	650	11	2	663	12	-134	541
925 Equipment Purchases (Non-Fund)	7,853	134	23	8,010	144	-1,618	6,536
932 Mgt Prof Support Svcs	34,236	582	16,065	50,883	916	-10,278	41,521
933 Studies, Analysis & Eval	0	0	10,291	10,291	185	-2,078	8,398
957 Other Costs (Land and Structures)	2,500	43	7	2,550	46	-515	2,081
987 Other Intra-Govt Purch	74,175	1,261	2,139	77,575	1,396	-15,669	63,302
989 Other Services	29,372	499	31,544	61,415	1,105	-10,267	52,253
<b>999 Total Other Purchases</b>	<b>173,868</b>	<b>2,957</b>	<b>60,146</b>	<b>236,971</b>	<b>4,264</b>	<b>-45,644</b>	<b>195,591</b>
<b>Total</b>	<b>405,721</b>	<b>7,347</b>	<b>86,932</b>	<b>500,000</b>	<b>6,415</b>	<b>-106,415</b>	<b>400,000</b>