

Fiscal Year 2018 President's Budget

Department of Defense Acquisition Workforce Development Fund (DAWDF)



May 2017

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**Department of Defense Acquisition Workforce Development Fund
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2017 President's Budget**

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

	FY 2016 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2017 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2018 <u>Estimate</u>
DAWDF	446,839	8,152	16,565	471,556	9,355	19,089	500,000

*FY 2016 actual obligations and FY 2017/2018 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:

Description of Operations Financed (\$000's)	FY2016 Actuals	FY2017 Estimate	FY2018 Estimate
Appropriated or Requested	\$ -	\$ -	\$ -
Remittance Amount	\$ 12,019	\$ -	\$ -
FY16 Transfer Amount	\$ 400,000	\$ 100,000	\$ -
FY17 Transfer Amount	\$ -	\$ 500,000	\$ -
FY17 Request for Additional Appropriations	\$ -	\$ 199,000	\$ -
FY18 Transfer Amount	\$ -	\$ -	\$ 500,000
TOTAL Credited to Account¹	\$ 412,019	\$ 799,000	\$ 500,000
Carried forward for Prior Year	\$ 875,293	\$ 835,003	\$ 462,447 ⁴
FY17 NDAA Sec 1005 Transfer ²	\$ -	\$ (475,000)	\$ -
FY17 NDAA Sec 864 Transfer ³	\$ -	\$ (225,000)	\$ -
TOTAL Obligation Authority	\$ 1,287,312	\$ 934,003	\$ 962,447
Obligations	\$ 446,839	\$ 471,556	\$ 500,000

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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.**
- 2. The FY17 NDAA section 1005 requires a capital transfer of \$457M to Treasury during FY17**
- 3. The FY17 NDAA section 864 requires a transfer of \$225M to the Rapid Prototyping Fund from FY17 transferred funds**
- 4. This carried forward for prior year figure doesn't incorporate adjustments to the program as a result of Section 8087 of Public Law 115-31, Consolidated Appropriations Act, 2017. The estimated impact of the adjustments is that no funding will be carried forward into FY 2018.**

The FY 2018 obligation plan request of \$500 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 strategic goals of the Defense Acquisition Strategic Workforce Plan include making DoD an employer of choice, shaping the workforce to achieve current and future requirements, and improving the quality and professionalism of the workforce. This workforce will provide support to the new Administration objective to rebuild the military. Funded initiatives are categorized as recruiting and hiring, training and development, and retention and recognition. The DAWDF is key to enabling the acquisition workforce capacity and capability needed to rebuild and equip the military and to achieve greater efficiency and productivity in Defense spending.

The obligation plan request of \$500M includes \$0 in FY 2018 appropriated funding. DoD plans to fund the FY 2018 program by transfer from unobligated balances as authorized by 10 U.S.C. 1705(d)(3). The law requires \$500 million in credits to the fund each fiscal year. The credits can be a combination of appropriated DAWDF funding, component

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I. Description of Operations Financed (cont.)

remittances, and/or transfers. Starting in FY 2015, and continuing in FY 2016 and FY 2017, DoD has used the transfer process to resource the DAWDF with unobligated balances authorized for transfer by the FY 2014, FY2015 and FY 2016 fiscal year Appropriation Acts.

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I. Description of Operations Financed (cont.)

RECRUITING AND HIRING

(\$ in Millions)

FY 2016	FY 2017	FY 2018
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
\$178.3	\$173.96	\$184.4

Recruiting and Hiring: The obligation plan supports the strategic goals of the Defense Acquisition Strategic Workforce Plan which includes shaping the workforce to achieve current and future requirements. The DAWDF-funded hiring provides components a workforce tool for shaping the workforce through limited intern, entry, journeymen and expert hires. Maintaining sufficient early and mid-career groups better positions DoD for succession readiness to backfill the very experienced civilian senior-career acquisition workforce members when they retire. The limited hiring, along with recruiting- and retention-type incentives, also enables components to mitigate critical gap challenges through access to expertise for critical program and knowledge transfer needs.

DAWDF Funded Hires (FTEs)	FY18 Estimate
Audit	186
Cost Estimating	40
Financial Management	144
Contracting	866

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I. Description of Operations Financed (cont.)

Engineering	643
Facilities Engineering	23
IT Management	55
Life Cycle Logistics	243
Production, Quality & Manufacturing	115
Program Management	90
Test & Evaluation	34
Total	2,438

TRAINING AND DEVELOPMENT

(\$ in Millions)

FY 2016	FY 2017	FY 2018
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
\$213.7	\$257.9	\$273.4

Training and Development: The obligation plan supports the statutory intent of DAWDF and strategic goals of the FY 2016 - FY 2021 Defense Acquisition Strategic Workforce Plan which include shaping the workforce to achieve current and future requirements and improving the quality and professionalism of the workforce. DAWDF is used by the Defense Acquisition University and Components to meet 10 U.S.C. Chapter 87 qualification, position and career path requirements, and to enhance the capability and success of the acquisition workforce and others who significantly contribute to acquisition results.

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I. Description of Operations Financed (cont.)

DoD will use DAWDF to demonstrate a strong commitment to the newly hired early career workforce and mid-career workforce. In addition to training to meet certification requirements, other technical, leadership, targeted workshops, and currency training is critical during the career lifecycle to improving acquisition productivity and outcomes. Central to the successful training, education, certification and currency of the acquisition workforce is the Defense Acquisition University (DAU). DAWDF funding has and will continue to be used by DAU to serve the entire acquisition workforce through developing new and updated courses, providing funds for students to travel to class, and creating training in new areas such as the acquisition of services, the requirements process, cybersecurity, information technology, small business, as well as special contract administration courses for the Defense Contract Management Agency workforce. DAWDF made it possible for DAU to increase its graduates from online and resident courses by 4.1 percent in FY 2016, ultimately graduating a total of 189,396 students. Completion of continuous learning modules, most of which were developed with DAWDF funds, was up by 8.6 percent (730,688 completions) from the previous fiscal year. These activities helped grow DAWIA certification rates from 86 percent in FY 2008 to 97 percent in FY 2016. Online courses, which represent over 75 percent of total DAU graduates, are developed with DAWDF funds, and decrease student travel costs and time. In addition, DoD will continue to 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 and RETENTION

(\$ in Millions)

FY 2016	FY 2017	FY 2018
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
\$52.3	\$39.8	\$42.2

Recognition and Retention: The obligation authority requested supports the strategic goals of the Defense Acquisition Strategic Workforce Plan which includes improving the quality and professionalism of the workforce and making DoD an employer of choice. Historically, an average of 8 percent of the DAWDF has been used for recognition and retention. In FY 2018, the DAWDF will be used for recognizing workforce excellence in acquisition management and also for recruiting and retention-type incentives, such as Student Loan Repayments. To mitigate the extensive loss of experienced senior career members, DoD must retain its recently hired and certified early and mid-career future workforce.

II. Force Structure Summary:

Not applicable.

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III. Financial Summary (\$ in thousands)

	FY 2017							
	FY 2016	Budget	Congressional Action			Current	FY 2018	
			<u>Actual</u>	<u>Request</u>	<u>Amount</u>			<u>Percent</u>
A. BA Subactivities								
1. Recruiting and Hiring	180,869	173,885	0	0.0	0	173,885	184,374	
Recruiting and Hiring	180,869	173,885	0	0.0	0	173,885	184,374	
2. Training and Development	213,711	257,888	0	0.0	0	257,888	273,443	
Training and Development	213,711	257,888	0	0.0	0	257,888	273,443	
3. Retention and Recognition	52,259	39,783	0	0.0	0	39,783	42,183	
Retention and Recognition	52,259	39,783	0	0.0	0	39,783	42,183	
Total	446,839	471,556	0	0.0	0	471,556	500,000	

Note 1. This documentation describes program growth from \$471.6 million in FY 2017 to \$500 million in FY 2018. Final Congressional actions for FY 2017 could result in different program estimates for FY 2017.

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III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2017/FY 2017</u>	<u>FY 2017/FY 2018</u>
Baseline Funding	471,556	471,556
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	471,556	
Fact-of-Life Changes (2017 to 2017 Only)		
Subtotal Baseline Funding	471,556	
Supplemental		
Reprogrammings		
Price Changes		9,355
Functional Transfers		
Program Changes		19,089
Current Estimate	471,556	500,000
Less: Wartime Supplemental		
Normalized Current Estimate	471,556	

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III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2017 President's Budget Request (Amended, if applicable)		471,556
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2017 Appropriated Amount		471,556
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 2017 Baseline Funding		471,556
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2017 Estimate		471,556
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		
FY 2017 Normalized Current Estimate		471,556
6. Price Change		9,355
7. Functional Transfers		

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III. Financial Summary (\$ in thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
8. Program Increases		66,364
a. Annualization of New FY 2017 Program		
b. One-Time FY 2018 Increases		
c. Program Growth in FY 2018		
1) Exec, Gen'l & Spec Scheds:	61,364	
Increases 406 FTEs over FY 2017 to support human capital/workforce shaping and risk mitigation, and increases funding for recruitment and retention incentives. Also, reflects restructure of costs due to prior object class code misalignments. (FY 2017 Baseline: \$162,717 thousand; +406 FTEs)		
2) Studies, Analysis & Eval:	5,000	
Funds studies pertaining to Defense Acquisition Workforce as provided by Section 863 of the FY 2017 NDAA. (FY 2017 Baseline: \$0 thousand)		
9. Program Decreases		-47,275
a. Annualization of FY 2017 Program Decreases		
b. One-Time FY 2017 Increases		
c. Program Decreases in FY 2018		
1) Non-Labor (except Travel):	-47,270	
Reflects restructure of costs due to correcting prior object class code misalignments. (FY 2017 Baseline: \$116,723 thousand)		
2) Commercial Transportation:	-5	
Reflects management efficiencies (FY 2017 Baseline: \$1,008 thousand)		
FY 2018 Budget Request		500,000

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IV. Performance Criteria and Evaluation Summary:

The DAWDF purpose 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. DoD's strategic goals of the Defense Acquisition Strategic Workforce Plan include making DoD an employer of choice, shaping the workforce to achieve current and future requirements, and improving the quality and professionalism of the workforce. 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, recognition and professionalization.

Hiring. In FY 2018 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. DoD will fund student travel reflecting full-capacity certification training seats at DAU. This funding also supports Component technical and leadership training to prepare the workforce to be contributing acquisition workforce professionals.

Retention and Recognition. DoD will use Student Loan Repayment, tuition assistance, recognition, recruiting, and retention incentives to support strategic human capital quality, professionalism and shaping objectives.

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IV. Performance Criteria and Evaluation Summary:

DAWDF	FY16 Actuals	FY17 Plan	FY17 Estimate	FY18 Plan
Hiring	1,022	1,353	489	1,049
Training				
DAU certification seats	33,435	94,000	65,800	96,000
Advance Education classes	6,501	6,720	4,704	5,712
Leadership training seats	5,104	7,200	5,040	6,120
Incentives				
Student Loan Repayment	981	600	420	510
Recognition awards	34	480	336	408
Recruiting incentives	573	154	108	131
Retention incentives	62	240	168	204

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V. <u>Personnel Summary</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	Change FY 2016/ <u>FY 2017</u>	Change FY 2017/ <u>FY 2018</u>
<u>Civilian End Strength (Total)</u>	<u>2,680</u>	<u>2,313</u>	<u>2,563</u>	<u>-367</u>	<u>250</u>
U.S. Direct Hire	2,680	2,313	2,563	-367	250
Total Direct Hire	2,680	2,313	2,563	-367	250
<u>Civilian FTEs (Total)</u>	<u>1,220</u>	<u>2,032</u>	<u>2,438</u>	<u>812</u>	<u>406</u>
U.S. Direct Hire	1,220	2,032	2,438	812	406
Total Direct Hire	1,220	2,032	2,438	812	406
Average Annual Civilian Salary (\$ in thousands)	76.9	80.1	93.2	3.2	13.1

Note: In FY 2016 Navy reclassified 637 DAWDF FTEs as Navy reimbursable FTEs. To prevent redundant reporting the DAWDF reporting was revised to 1,220 U.S. Direct Hire FTEs.

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

<u>OP 32 Line</u>	<u>FY 2016</u>	<u>Change</u>		<u>FY 2017</u>	<u>Change</u>		<u>FY 2018</u>
		<u>FY 2016/FY 2017</u>			<u>FY 2017/FY 2018</u>		
	<u>Actual</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
101 Exec, Gen'l & Spec Scheds	93,857	1,769	67,091	162,717	3,179	61,364	227,260
199 Total Civ Compensation	93,857	1,769	67,091	162,717	3,179	61,364	227,260
308 Travel of Persons	54,322	1,032	-354	55,000	1,100	0	56,100
399 Total Travel	54,322	1,032	-354	55,000	1,100	0	56,100
633 DLA Document Services	0	0	21	21	0	0	21
671 DISA DISN Subscription Services (DSS)	3,611	-253	-3,358	0	0	0	0
699 Total DWCF Purchases	3,611	-253	-3,337	21	0	0	21
771 Commercial Transport	1,917	36	-945	1,008	20	-5	1,023
799 Total Transportation	1,917	36	-945	1,008	20	-5	1,023
912 Rental Payments to GSA (SLUC)	3,650	69	-1,713	2,006	40	0	2,046
914 Purchased Communications (Non-Fund)	0	0	4,976	4,976	100	0	5,076
915 Rents (Non-GSA)	392	7	1	400	8	0	408
920 Supplies & Materials (Non-Fund)	4,828	92	1,080	6,000	120	0	6,120
921 Printing & Reproduction	662	13	25	700	14	0	714
922 Equipment Maintenance By Contract	12,927	246	-2,173	11,000	220	0	11,220
923 Facilities Sust, Rest, & Mod by Contract	646	12	-8	650	13	0	663
925 Equipment Purchases (Non-Fund)	9,722	185	-2,054	7,853	157	0	8,010
932 Mgt Prof Support Svcs	51,165	972	-2,252	49,885	998	0	50,883
933 Studies, Analysis & Eval	0	0	0	0	0	5,000	5,000
955 Other Costs (Medical Care)	1	0	-1	0	0	0	0
957 Other Costs (Land and Structures)	3,305	63	-868	2,500	50	0	2,550
985 Research & Development, Contracts	92	0	-92	0	0	0	0
987 Other Intra-Govt Purch	151,222	2,873	-37,372	116,723	2,334	-47,270	71,787
989 Other Services	54,520	1,036	-5,439	50,117	1,002	0	51,119
999 Total Other Purchases	293,132	5,568	-45,890	252,810	5,056	-42,270	215,596

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<u>OP 32 Line</u>	FY 2016	Change		FY 2017	Change		FY 2018		
	<u>Actual</u>	<u>FY 2016/FY 2017</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>FY 2017/FY 2018</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
Total	446,839	8,152	16,565	471,556	9,355	19,089	500,000		