

# Fiscal Year (FY) 2003 Budget Estimates

## Defense Acquisition University (DAU)



February 2002

**DEFENSE ACQUISITION UNIVERSITY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 3: Training and Recruitment**

**I. Description of Operations Financed:**

The Defense Acquisition University (DAU) is a corporate University providing mandatory, assignment specific, and continuing education courses for military and civilian personnel serving in 11 acquisition career fields. Its mission is to educate and train professionals for effective service in the Defense acquisition system. Authorized by 10 U.S.C. 1746, and chartered by DoD Directive 5000.57, the DAU began operating on August 1, 1992.

The DAU coordinates the DoD acquisition education and training program to meet the training requirements of more than 135,000 personnel serving in acquisition positions. Through its campuses, the DAU sponsors acquisition curriculum and instructor training to provide a full range of basic, intermediate, and advanced courses to support the career goals and professional development of the acquisition workforce. In addition, the DAU fosters research, publications, symposia, and consulting in areas related to the acquisition functional areas.

Adaptability, speed, and customer-targeted training are qualities valued by the Acquisition, Technology and Logistics Workforce (AT&LWF). Our strategic plan is focused on aggressively moving forward with distance learning, knowledge management, and the transition to a case-based training environment. Through the strategic plan, we are building an organizational culture that empowers the DAU workforce, encourages innovation, and establishes strategic alliances and partnerships with the private sector and field organizations. The result should be a more responsive and agile DAU organization. We are now implementing these initiatives, including case-based training; faculty renewal and development; distance learning; and improved, targeted training.

Dramatic economic and political changes have forced America and the DoD to re-think our business processes. The Defense Acquisition University (DAU) is restructuring in order to meet this rapidly changing business and acquisition environment. It is critical that we prepare the AT&LWF for new ways of doing business by improving acquisition training to develop better business practices.

On 11 Jan 01, Secretary of Defense Donald H. Rumsfeld in his confirmation testimony before the Senate Armed Services Committee, made the following statement:

**DEFENSE ACQUISITION UNIVERSITY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 3: Training and Recruitment**

**I. Description of Operations Financed: (Cont'd)**

"The legacy of obsolete institutional structures and processes and organizations does not merely create unnecessary cost, which of course it does; it also imposes an unacceptable burden on national defense."

We totally agree, and believe DAU is directly aligned with Secretary Rumsfeld. We are out-front leading in addressing the cost of managing DAU as a corporate university. The old DAU organization started as a consortium of existing training organizations with no defined organizational concept. The end result was an organization configuration that was outdated and burdened with a heavy overhead cost. The need to rationalize the DAU organization was overdue and was authorized November 1999 in a DAU transition document signed by the Deputy Secretary of Defense. The DAU organization re-engineering initiative occurred in two phases. First, the DAU Headquarters consolidation at Ft Belvoir was initiated in June 2000 and completed September 2000. Second, the DAU campus structure re-alignment was initiated in Dec 2000 and approved for implementation June 2001.

Key attributes of the new DAU organization structure are the following:

1. Clear division of responsibility between DAU staff and DAU line organizations;
2. Alignment of main campus centers to major AT&L workforce locations;
3. Regional responsibility assigned to the five main campus centers (Capital & Northeast (Ft. Belvoir, VA), Mid-Atlantic (Pax River), South (Huntsville, AL), Mid-West (Dayton, OH), and West (San Diego, CA));

As we evolve our organization concept, our emphasis will be on teambuilding and establishing smart, efficient, and streamlined processes. Our goal is a mission-focused, customer-driven, cost-efficient organization. Projected staffing requirements are commensurate with the implementation of this effort.

**DEFENSE ACQUISITION UNIVERSITY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 3: Training and Recruitment**

**II. Force Structure Summary: N/A**

**III. Financial Summary: (O&M: Dollars in Thousands)**

	FY 2001 <u>Actuals</u>	FY 2002		Current <u>Estimate</u>	FY 2003 <u>Estimate</u>
		Budget <u>Request</u>	<u>Approp</u>		
A. Budget Activity 3					
1. Recruitment & Training	101,474	101,196	99,703	95,002	103,514
B. <u>Reconciliation Summary:</u>					
		Change		Change	
		<u>FY 2002/FY 2002</u>		<u>FY 2002/FY 2003</u>	
Baseline Funding		101,196		95,002	
Congressional Adjustments					
Distributed		-500		-	
Undistributed		-113		-	
General Provisions		-771		-	
Congressional Earmarks		-109		-	
Price Change		-		2,136	
Functional Transfers/Reprogramming		-		-	
Program Change		-4,701		6,376	
Current Estimate		95,002		103,514	

**DEFENSE ACQUISITION UNIVERSITY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 3: Training and Recruitment**

**III. Financial Summary: (O&M: Dollars in Thousands) (Cont'd)**

C. Reconciliation of Increases and Decreases:

FY 2003 President's Budget		101,196
Congressional Adjustments (Distributed)		
Distance Learning Travel Savings	-4,000	
Distance Learning	2,500	
IT Organizational Composition Research	1,000	
Total Congressional Adjustments (Distributed)		-500
Congressional Adjustments (Undistributed)		
Defense Joint Accounting System (DJAS)	-113	
Total Congressional Adjustments (Undistributed)		-113
Congressional Adjustments (Undistributed)		
Congressional Adjustments (General Provisions)		
Section 8123 - Reduction for Business Process Reform	-728	
Section 8146 - Savings from Government Purchases Card	-43	
Total Congressional Adjustments (General Provisions)		-771
Congressional Earmarks		
Congressional Earmarks Bill Payer	-109	
Total Congressional Earmarks		-109
FY 2002 Appropriated Amount		99,703

**DEFENSE ACQUISITION UNIVERSITY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 3: Training and Recruitment**

**III. Financial Summary: (O&M: Dollars in Thousands) (Cont'd)**

C. Reconciliation of Increases and Decreases (Cont'd):

FY 2002 Appropriated Amount		99,703
Price Change		2,463
Program Increase		
<u>DAU Reorganization Hiring</u>	1,808	
<p>The DAU campus structure re-alignment was initiated in Dec 2000 and approved for implementation June 2001. The AT&amp;L leadership has been directly involved in reviewing and approving all organizational changes. This increase allows the hiring of an additional 18 FTEs over FY 2001.</p>		
Total Program Increase		1,808
Program Decreases		
a. <u>Civilian Personnel Program Underexecution</u>	-4,701	
<p>This reflects a reduction of Full-Time equivalent (FTE) authority (8 FTEs), underutilization of budgeted FTE authority, and overstated salary rates. This becomes, in effect, a non-labor cut and is distributed in the following areas: Travel (Class offerings, -\$2,025, and eliminated 5 sections of PMT 302 \$1,250); Other Contracts (Delayed course conversions to FY 2003, -\$1,426).</p>		
b. Additional Travel Savings Due to Distance Learning	-3,184	
c. Benefits to Former Employees (One-Time Costs)	-1,087	
Total Program Decrease		-8,972
Revised FY 2002 Current Estimate		95,002

**DEFENSE ACQUISITION UNIVERSITY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 3: Training and Recruitment**

**III. Financial Summary: (O&M: Dollars in Thousands) (Cont'd)**

<u>C. Reconciliation of Increases and Decreases (Cont'd):</u>	<u>(Dollars in</u>
<u>Thousands)</u>	
Revised FY 2002 Current Estimate	95,002
Price Change	4,805
Program Increases	
a. <u>DAU Reorganization Hiring</u>	2,484
Annualized salary increase of personnel added in FY 2002. This represents 27 FTEs.	
b. Restore course offerings cut in FY 2002	1,952
c. Restore course conversions delayed from FY 2002	1,426
d. Restore 5 sections of PMT 302 cut in FY 2002	1,250
Total Program Increase	7,112
Program Decreases	
a. <u>Distance Learning</u>	-2,390
Funds were a one-time add by Congress in FY 2002 for Distance Learning.	
b. <u>IT Organizational Composition Research</u>	-1,015
Funds were a one-time add by Congress in FY 2002 for IT Organizational Composition Research. DAU does not budget for this program.	
Total Program Decrease	-3,405

**DEFENSE ACQUISITION UNIVERSITY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 3: Training and Recruitment**

FY 2003 Budget Request

103,514

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

	<u>Actuals</u> <u>FY 2001</u>	<u>Workload</u> <u>Estimate</u> <u>FY 2002</u>	<u>Workload</u> <u>Estimate</u> <u>FY 2003</u>
<b>Number of Offerings</b>	<b>991</b>	<b>1,040</b>	<b>1,090</b>
Resident	485	495	530
On-Site	476	500	500
Web-based	30	45	60
<b>Number of Students Trained</b>	<b>45,909</b>	<b>49,945</b>	<b>53,000</b>
Army	11,073	10,655	12,000
Navy	13,981	11,610	13,000
Air Force	12,331	15,390	14,000
DoD	6,567	8,920	9,000
Other	1,957	3,370	5,000



**DEFENSE ACQUISITION UNIVERSITY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2003 Budget Estimates**  
**Budget Activity 3: Training and Recruitment**

**V. Personnel Summary**

	Actuals			Change
	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 02/FY 03</u>
Active Mil End Strength				
Officer	57	72	72	-
Enlisted	34	43	43	-
TOTAL	91	115	115	-
Civilian End Strength				
US Direct Hire	372	425	425	-
Active Military Average Strength				
Officer	57	72	72	-
Enlisted	34	43	43	-
TOTAL	91	115	115	-
Civilian FTEs				
US Direct Hire	380	398	425	27

**DEFENSE ACQUISITION UNIVERSITY**  
**Operation and Maintenance, Defense-Wide**  
**FY 2003 Budget Estimates**  
**Analysis of Changes in Workyear cost**

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

		<u>Change from FY2001 to FY2002</u>			<u>Change from FY2002 to FY2003</u>		
	<u>FY 2001</u>	<u>Price</u>	<u>Program</u>	<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>
	<u>Actuals</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
101 Exec, Gen & Spec Schedules	33,606	1,470	1,669	36,745	3,763	2,630	43,138
103 Wage Board	392	17	139	548	62	0	610
106 Benefits to Former Employees	1,087	48	(1,135)				
199 TOTAL CIV PERS COMPENSATION	35,085	1,535	673	37,293	3,825	2,630	43,748
308 Travel of Persons	35,857	574	(10,737)	25,694	385	3,202	29,281
633 Defense Pub & Printing Svc	2,499	(47)		2,452	152		2,604
914 Purchased Communications	441	7		448	7		455
920 Supplies & Materials	6,158	99		6,257	94		6,351
932 Mgt & Prof Supp Svcs	2,195	35		2,230	33		2,263
989 Other Contracts	19,239	308	1,081	20,628	309	(2,125)	18,812
999 TOTAL OTHER PURCHASES	<u>28,033</u>	<u>449</u>	<u>1,081</u>	<u>29,563</u>	<u>443</u>	<u>(2,125)</u>	<u>27,881</u>
Total	101,474	2,511	(8,983)	95,002	4,805	3,707	103,514