

**Fiscal Year 2015 Budget Estimates**  
**Department of Defense**  
**Acquisition Workforce Development Fund**  
**(DAWDF)**



March 2014

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**Department of Defense Acquisition Workforce Development Fund  
Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2015 Budget Estimates**

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

	FY 2013 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2014 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2015 <u>Estimate</u>
DAWDF	535,444	6,878	14,028	556,350	8,143	35,507	600,000
*FY 2013 Actual obligations include: FY 2013, \$48.110 million, FY 2012/2014, \$463.585 million, and FY 2011/2013, 23.748 million.							

\*FY 2014 and 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 2013 <u>Actuals</u>	FY 2014 <u>Appropriated</u>	FY 2015 <u>Request</u>
Appropriated or Requested	48,643	51,031	212,875
Remittance Amount	355,717	588,969	347,125
<b>Total Credited to Account <sup>1</sup></b>	<b>404,360</b>	<b>640,000</b>	<b>560,000</b>
Carried Forward from Prior Year	561,261	428,772	512,422
<b>Total Obligation Authority <sup>2</sup></b>	<b>965,621</b>	<b>1,068,772</b>	<b>1,072,422</b>
Actual or Planned Obligations <sup>3</sup>	535,444	556,350	600,000

1. Complies with 10 U.S.C. 1705, which authorizes the Secretary of Defense to waive up to 20 percent of the amounts required to be credited to the DAWDF each fiscal year.

2. Equals the sum of: (1) amounts appropriated in the respective fiscal year, (2) the amount of remittance required to be credited to the account in the respective fiscal year, and (3) unobligated balances from prior year remittance amounts carried forward. Prior year balanced carried forward cannot be used to meet the minimum amount required to be credited to the DAWDF in each fiscal year in accordance with 10 U.S.C. 1705.

3. Amounts obligated, or planned to be obligated from all available periods of availability.

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

The FY 2015 budget request of \$212.875 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 the remaining new hires under the original initiative to rebuild workforce capacity from the 1990's downsizing, and help create a sufficiently sized future workforce for mission critical acquisition functions. 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 34 BBP initiatives, are 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 outcomes, and for ensuring technological superiority for the future.

The DAWDF has supported workforce shaping and quality improvements to include funding approximately 9,000 cumulative hires through FY 2013 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 advance replenishment hiring, limited Highly Qualified Expert (HQE)/limited subject matter expert 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

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

strategically shaped to support future year group capacity and experience needs into 2020 and 2030.

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 2013, DAWDF funding continued to support improvements to training capacity. DAU expanded capacity to approximately 61,000 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

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

acquisition workforce. The law, as revised by the FY 2013 NDAA, requires \$700 million in credits to the fund for FY 2015. The credits are a combination of appropriated DAWDF funding and remittances to resource the fund from the military services and defense 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 2013	FY 2014	FY 2015
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
\$286.3	\$234.8	\$190.5

**Recruiting and Hiring:**

The DAWDF has supported workforce shaping of mission critical functions consistent with strategy to include funding approximately 9,000 cumulative hires through FY 2013. 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. Fifteen percent of acquisition workforce civilians are currently eligible for full retirement, 18 percent will become eligible in five years, and 17 percent will become eligible in 6-10 years. DoD has

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

completed approximately 90% of the hiring towards the original DAWDF-funded rebuilding objective. DoD will continue a limited hiring capability for HQEs, subject matter experts and replenishment hiring as a tool to mitigate experience shortfalls, provide coaching, ensure knowledge transfer, and support continuity for critical positions.

**TRAINING AND DEVELOPMENT**

(\$ in Millions)

FY 2013	FY 2014	FY 2015
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
\$197.0	\$254.0	\$323.4

**Training and Development:** The Department will implement more rigorous qualification, currency and recertification 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. Even with recent capacity improvements, the aggregate of demand for training still exceeds DAU's capacity. Therefore, DAU will also use the DAWDF to continue training capacity improvements. In addition, DoD will use the DAWDF to support improved training and 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 2013	FY 2014	FY 2015
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
\$52.3	\$67.6	\$86.1

Recognition and Retention: DoD's Better Buying Power initiative includes the objective of improving the professionalism of the total acquisition workforce. This includes increasing the recognition of workforce excellence in acquisition management and limited 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. This category of initiatives will continue on a limited basis.

**II. Force Structure Summary:**

Not applicable.

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III. Financial Summary (\$ in thousands)

	FY 2013	Budget	FY 2014			Current	FY 2015			
			Actual	Request	Congressional Action			Estimate	Estimate	
					Amount					Percent
<b>A. BA Subactivities</b>										
<b>1. Recruiting and Hiring</b>	<b>286,328</b>	<b>234,792</b>	<b>0</b>	<b>0.0</b>	<b>234,792</b>	<b>234,792</b>	<b>190,512</b>			
Recruiting and Hiring	286,328	234,792	0	0.0	234,792	234,792	190,512			
<b>2. Training and Development</b>	<b>196,754</b>	<b>253,968</b>	<b>0</b>	<b>0.0</b>	<b>253,968</b>	<b>253,968</b>	<b>323,416</b>			
Training and Development	196,754	253,968	0	0.0	253,968	253,968	323,416			
<b>3. Retention and Recognition</b>	<b>52,362</b>	<b>67,590</b>	<b>0</b>	<b>0.0</b>	<b>67,590</b>	<b>67,590</b>	<b>86,072</b>			
Retention and Recognition	52,362	67,590	0	0.0	67,590	67,590	86,072			
<b>Total</b>	<b>535,444</b>	<b>556,350</b>	<b>0</b>	<b>0.0</b>	<b>556,350</b>	<b>556,350</b>	<b>600,000</b>			

The FY 2014 President's Budget requested amount was \$256,031, which was reduced to \$51,031; the remittance of \$588,969 = \$640,000 @ 80% of \$800,000 statutory level 10 U.S.C. 1705.

\*FY 2014 and FY 2015 columns represent planned obligations from all available appropriation during the respective fiscal year.

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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 2014/FY 2014</u></b>	<b><u>FY 2014/FY 2015</u></b>
<b>Baseline Funding</b>	<b>556,350</b>	<b>556,350</b>
Congressional Adjustments (Distributed)	-588,969	
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent	83,650	
Congressional Adjustments (General Provisions)		
<b>Subtotal Appropriated Amount</b>	<b>51,031</b>	
Fact-of-Life Changes (2014 to 2014 Only)	505,319	
<b>Subtotal Baseline Funding</b>	<b>556,350</b>	
Supplemental		
Reprogrammings		
Price Changes		8,143
Functional Transfers		
Program Changes		35,507
<b>Current Estimate</b>	<b>556,350</b>	<b>600,000</b>
Less: Wartime Supplemental		
<b>Normalized Current Estimate</b>	<b>556,350</b>	

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III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
<b>FY 2014 President's Budget Request (Amended, if applicable)</b>		<b>556,350</b>
1. Congressional Adjustments		-505,319
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)	-588,969	
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
1) Carried forward to future fiscal years	83,650	
d. General Provisions		
<b>FY 2014 Appropriated Amount</b>		<b>51,031</b>
2. War-Related and Disaster Supplemental Appropriations		
3. Fact-of-Life Changes		505,319
a. Functional Transfers		
1) Transfers In		
a) Remittance Amount	588,969	
b. Technical Adjustments		
1) Increases		
2) Decreases		
a) Carried forward to future fiscal year	-83,650	
<b>FY 2014 Baseline Funding</b>		<b>556,350</b>
4. Reprogrammings (Requiring 1415 Actions)		
<b>Revised FY 2014 Estimate</b>		<b>556,350</b>
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		
<b>FY 2014 Normalized Current Estimate</b>		<b>556,350</b>
6. Price Change		8,143
7. Functional Transfers		
8. Program Increases		82,135
a. Annualization of New FY 2014 Program		

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<b>C. <u>Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
b. One-Time FY 2015 Increases		
c. Program Growth in FY 2015		
1) Increase in requirements for Training and Development, and Retention and Recognition as DAWDF increases initiatives to retain personnel and further professionalize the acquisition workforce.	82,135	
9. Program Decreases		-46,628
a. Annualization of FY 2014 Program Decreases		
b. One-Time FY 2014 Increases		
c. Program Decreases in FY 2015		
1) Civilian Compensation related to reduced Recruiting and Hiring activities as DAWDF nears completion of its first objective to rebuild acquisition workforce capacity.	-46,628	
<b>FY 2015 Budget Request</b>		<b>600,000</b>

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IV. Performance Criteria and Evaluation Summary:

Not Applicable.

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<b>V. <u>Personnel Summary</u></b>	<b><u>FY 2013</u></b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Change</u> <u>FY 2013/</u> <u>FY 2014</u></b>	<b><u>Change</u> <u>FY 2014/</u> <u>FY 2015</u></b>
<u>Civilian End Strength (Total)</u>	<u>4,279</u>	<u>3,614</u>	<u>2,582</u>	<u>-665</u>	<u>-1,032</u>
U.S. Direct Hire	4,279	3,614	2,582	-665	-1,032
Total Direct Hire	4,279	3,614	2,582	-665	-1,032
<u>Civilian FTEs (Total)</u>	<u>4,498</u>	<u>3,279</u>	<u>2,254</u>	<u>-1,219</u>	<u>-1,025</u>
U.S. Direct Hire	4,498	3,279	2,254	-1,219	-1,025
Total Direct Hire	4,498	3,279	2,254	-1,219	-1,025
Average Annual Civilian Salary (\$ in thousands)	63.7	71.6	84.5	7.9	12.9

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

<u>OP 32 Line</u>	<u>FY 2013</u>	<u>Change</u>		<u>FY 2014</u>	<u>Change</u>		<u>FY 2015</u>
		<u>FY 2013/FY 2014</u>			<u>FY 2014/FY 2015</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	286,330	2,147	-53,685	234,792	2,348	-46,628	190,512
<b>199 Total Civ Compensation</b>	<b>286,330</b>	<b>2,147</b>	<b>-53,685</b>	<b>234,792</b>	<b>2,348</b>	<b>-46,628</b>	<b>190,512</b>
308 Travel of Persons	45,992	874	12,501	59,367	1,069	15,164	75,600
<b>399 Total Travel</b>	<b>45,992</b>	<b>874</b>	<b>12,501</b>	<b>59,367</b>	<b>1,069</b>	<b>15,164</b>	<b>75,600</b>
633 DLA Document Services	120	0	35	155	9	33	197
<b>699 Total DWCF Purchases</b>	<b>120</b>	<b>0</b>	<b>35</b>	<b>155</b>	<b>9</b>	<b>33</b>	<b>197</b>
912 Rental Payments to GSA (SLUC)	1,623	31	441	2,095	38	535	2,668
915 Rents (Non-GSA)	38	1	11	50	1	12	63
920 Supplies & Materials (Non-Fund)	298	6	81	385	7	98	490
921 Printing & Reproduction	23,215	441	6,311	29,967	539	7,655	38,161
922 Equipment Maintenance By Contract	6,888	131	1,873	8,892	160	2,271	11,323
923 Facilities Sust, Rest, & Mod by Contract	76	1	21	98	2	25	125
925 Equipment Purchases (Non-Fund)	919	17	250	1,186	21	304	1,511
932 Mgt Prof Support Svcs	57,148	1,086	15,519	73,753	1,328	18,840	93,921
957 Other Costs (Land and Structures)	1,301	25	353	1,679	30	429	2,138
987 Other Intra-Govt Purch	68,918	1,309	18,730	88,957	1,601	22,727	113,285
989 Other Services	42,578	809	11,587	54,974	990	14,042	70,006
<b>999 Total Other Purchases</b>	<b>203,002</b>	<b>3,857</b>	<b>55,177</b>	<b>262,036</b>	<b>4,717</b>	<b>66,938</b>	<b>333,691</b>
<b>Total</b>	<b>535,444</b>	<b>6,878</b>	<b>14,028</b>	<b>556,350</b>	<b>8,143</b>	<b>35,507</b>	<b>600,000</b>