

Fiscal Year 2013 Budget Estimates
Department of Defense
Acquisition Workforce Development Fund
(DAWDF)



February 2012

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**Department of Defense Acquisition Workforce Development Fund
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

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

	<u>FY 2011</u> <u>Actuals</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2012</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2013</u> <u>Estimate</u>
DAWDF	686,298	3,867	29,835	720,000	5,687	218,313	944,000

I. Description of Operations Financed:

	FY 2011 Actuals	FY 2012 Estimate	FY 2013 Estimate
Appropriated	208,767	105,501	274,198
Tax (Credit)	56,061	614,499	669,802
Sub-Total*	264,828	720,000	944,000
Prior Year Carry Forward **	421,470	218,254	20,753
Total	686,298	938,254	964,753

* The Sub-Total meets the FY 2010 NDAA, Sec 832 (P.L. 111-84) at the 80% minimum required baseline.

** Prior Year Carry Forward cannot be used to meet the minimum required baseline in accordance with FY 2010 NDAA, Sec. 832 (P.L. 111-84).

The FY 2013 budget supports strengthening of the DoD acquisition workforce to ensure the Department achieves and sustains sufficient workforce capacity and capability. Since 2008, DoD has made significant progress towards bolstering workforce capacity. In addition to completing and maintaining sufficient capacity, DoD will continue efforts to strengthen the quality, readiness and performance results of the workforce. The Defense Acquisition Workforce growth initiative is supported by Title 10 U.S.C. 1705 Defense Acquisition Workforce Development Fund (DAWDF). The law states credits to the fund for fiscal year 2012 and 2013 are \$900 million and \$1,180 billion respectively. The credits are a combination of appropriated funding and receipts/taxes 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

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I. Description of Operations Financed (cont.)

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.

The purpose of the Defense Acquisition Workforce Development Fund (DAWDF) is to ensure the Department of Defense (DoD) has the capacity in both personnel and skills needed to perform its acquisition mission, provide appropriate oversight of contractor performance, and ensure that the Department receives best value for expenditure of public resources. The acquisition, technology, and logistics mission in DoD is carried out primarily by an identified set of personnel in the military departments and defense agencies known as the Defense Acquisition Workforce (DAW).

To reform how and what is bought the Department has embarked on an initiative to significantly improve the quality and readiness of the DAW which is dependent upon having adequate numbers of capable personnel on the job, in the right place, and at the right time. The Department's Acquisition Workforce Growth initiative includes increasing the size of the organic workforce by 10,000 through fiscal year 2015. To achieve this goal, the Department plans to hire approximately 10,000 new workforce members (funded by DAWDF). As part of this initiative, the Department will grow its contracting and oversight workforce, to include the Defense Contract Management Agency and the Defense Contract Audit Agency. These resources will improve the Department's oversight capability and help ensure it gets what it pays for, ferret out waste, and more aggressively combat contract fraud. Additionally, to get the best value for taxpayers, the Department will enhance its cost estimating and pricing capability to improve program estimates and ensure DoD contracts are appropriately priced.

The DAWDF supports these efforts to meet the Department's workforce challenges and restore the organic defense acquisition workforce by funding initiatives in three

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I. Description of Operations Financed (cont.)

categories: 1) recruiting, 2) training and development, and 3) recognition and retention. Funds available to the DAWDF include appropriated funds and funds sourced from other appropriations based on a percent of expenditures for contract services.

DAWDF allocations enabled Components across the DAW to increase hiring by 6,290 personnel since inception of the Fund, with 36% of those accessions in the Contracting career field; 17% in the System Planning, Research, Development and Engineering; 11% Auditing; 10% Life Cycle Logistics; and the remaining 26% in IT Management, Legal, Program Management, Production, Quality & Manufacturing, and Facilities Engineering. DAWDF funds enabled Components to add acquisition personnel in the key strategic areas of contracting, system engineering, and cost estimating.

RECRUITING AND HIRING		
(\$ in Millions)		
FY 2011	FY 2012	FY 2013
<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
\$472	\$490	\$374

Recruiting and Hiring: Research (OSD(AT&L) and RAND) suggests that approximately 17 percent of acquisition workforce civilians are eligible for full retirement and 20 percent will become eligible in the next five years. Over the next ten years approximately 58 percent will be eligible to retire. Accordingly, the Department has leveraged existing acquisition intern programs and provided funding to develop new, robust acquisition intern, journeymen, and Highly Qualified Expert (HQE) programs. In addition, the DoD has expanded the current Student Career Experience Program (SCEP)

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I. Description of Operations Financed (cont.)

participant pool, using the program as a pipeline from which to populate acquisition intern programs and a vehicle through which to increase diversity within the Defense acquisition workforce. The 58 percent includes those eligible (17.21%) + those within 5yrs (19.99%) + those eligible in 6-10yrs (20.86%).

TRAINING AND DEVELOPMENT

(\$ in Millions)

FY 2011	FY 2012	FY 2013
<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
\$72	\$81	\$120

Training and Development: DoD components have consistently signaled an annual demand for acquisition training that exceeds the Defense Acquisition University's (DAU's) current capacity. Approximately 19,000 classroom and 100,000 online training seats per year have been added to DAU's annual training capacity as part of the addendum schedule (expanded capacity because of the DAWDF). The Department funded DAU training enhancement and capacity expansion programs to better serve the needs of the Defense acquisition community. The Military Departments and Defense agencies also funded targeted acquisition and leadership training to better prepare their workforce for the future; enhanced information technology capabilities, enabling the Department to quickly analyze, report and react to rapidly changing acquisition career management environments and requirements; and expanded functional skill set development opportunities.

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I. Description of Operations Financed (cont.)

Training capacity increased significantly by hiring Subject Matter Expert (SME) faculty which allowed significant increases in course offerings throughout the United States and strategically selected overseas sites. The DAWDF funds expanded training capacity at the Defense Acquisition University (DAU) for all acquisition courses and classroom graduates by 27,675 through 1,307 course offerings for the entire Defense acquisition workforce.

RECOGNITION, RETENTION, AND WORKFORCE ASSESSMENTS

(\$ in Millions)

FY 2011	FY 2012	FY 2013
<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
\$143	\$149	\$450

Recognition and Retention: The Department is implementing a robust employee retention and talent management strategy to retain acquisition employees with expert knowledge in critical and shortage skill areas. These employees include, but are not limited to, individuals filling key leadership positions. These are especially found in major acquisition programs, such as program managers, engineers, senior contracting officers, life cycle logisticians, cost estimators, and other personnel possessing special expertise that is hard to find or retain.

In an effort to encourage retention of and recognition for key acquisition workforce employees with "mission critical" skills, competencies, and certifications, the DAWDF provided funding for: 2,650 tuition assistance incentives; 147 student loan repayments; 86 Permanent Change of Station moves; 1,125 courses towards advanced academic degrees; 12 performance awards; and 14 other miscellaneous recognition incentives. Permanent Change of Station funding will increase the department's ability to fill mission critical

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I. Description of Operations Financed (cont.)

positions. This program will also provide developmental opportunities for the enrichment of our workforce and ensure they have a broad range of experience to better understand the intricacies of acquisition.

This funding supports the competency management assessment and the resultant plan will address the critical skills and competencies of the exiting workforce based on expected losses due to retirement and other attrition and gaps in the exiting or projected workforce.

II. Force Structure Summary:

Not applicable.

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III. Financial Summary (\$ in thousands)

	FY 2012							FY 2013 Estimate
	FY 2011 Actuals	Budget Request	Congressional Action		Current Estimate	Current Estimate		
			Amount	Percent Appropriated				
A. BA Subactivities								
1. Appropriation *	208,767	305,501	-200,000	-65.5	105,501	105,501	274,198	
Recruiting and Hiring	143,531	207,809	-136,045	-65.5	71,764	71,764	108,527	
Retention and Recognition	43,480	34,472	-22,568	-65.5	11,904	11,904	34,831	
Training and Development	21,756	63,220	-41,387	-65.5	21,833	21,833	130,840	
2. Tax (Credit) *	56,061	614,499	0	0.0	614,499	614,499	669,802	
Recruiting and Hiring	38,543	417,997	0	0.0	417,997	417,997	265,105	
Retention and Recognition	11,676	69,339	0	0.0	69,339	69,339	85,084	
Training and Development	5,842	127,163	0	0.0	127,163	127,163	319,613	
3. Prior Year Carry Forward **	421,470	0	0	n/a	0	0	0	
Recruiting and Hiring	289,769	0	0	n/a	0	0	0	
Retention and Recognition	87,780	0	0	n/a	0	0	0	
Training and Development	43,921	0	0	n/a	0	0	0	
Total	686,298	920,000	-200,000	-21.7	720,000	720,000	944,000	

* The total of the 1. Appropriation and 2. Tax (Credit) meets the FY 2010 NDAA, Sec 832 (P.L. 111-84) at the 80% minimum required baseline.

** 3. Prior Year Carry Forward cannot be used to meet the minimum required baseline in accordance with FY 2010 NDAA, Sec 832 (P.L. 111-84).

FY 2012 Prior Year Carry Forward = \$218,254

FY 2013 Prior Year Carry Forward Estimate = \$20,753

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III. Financial Summary (\$ in thousands)

B. Reconciliation Summary

	Change FY 2012/FY 2012	Change FY 2012/FY 2013
Baseline Funding	920,000	720,000
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)	-200,000	
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	720,000	
Fact-of-Life Changes (2012 to 2012 Only)		
Subtotal Baseline Funding	720,000	
Supplemental		
Reprogrammings		
Price Changes		5,687
Functional Transfers		32,653
Program Changes		185,660
Current Estimate	720,000	944,000
Less: Wartime Supplemental		
Normalized Current Estimate	720,000	

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	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2012 President's Budget Request (Amended, if applicable)		920,000
1. Congressional Adjustments		-200,000
a. Distributed Adjustments		
b. Undistributed Adjustments		
1) MILITARY CONSTRUCTION AND VETERANS AFFAIRS AND RELATED AGENCIES APPROPRIATIONS ACT, 2012, Conference Report, 112-331	-200,000	
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2012 Appropriated Amount		720,000
2. War-Related and Disaster Supplemental Appropriations		
3. Fact-of-Life Changes		
FY 2012 Baseline Funding		720,000
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2012 Estimate		720,000
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		
FY 2012 Normalized Current Estimate		720,000
6. Price Change		5,687
7. Functional Transfers		32,653
a. Transfers In		
1) Tax (Credit)	55,303	
Meets requirement of National Defense Authorization Act, 2010, Sec 832 (Baseline \$614,499)		
b. Transfers Out		
1) Full-Time Equivalent (FTEs)	-22,650	
Transfers 151 FTEs to Operation and Maintenance, Defense-Wide, Defense Acquisition University (-151 FTEs)		
8. Program Increases		185,660
a. Annualization of New FY 2012 Program		

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C. Reconciliation of Increases and Decreases	Amount	Totals
b. One-Time FY 2013 Increases		
c. Program Growth in FY 2013		
1) Appropriation Request	168,697	
FY 2013 DAWDF Appropriation Request (Baseline \$105,501)		
2) Training and Development	16,963	
Develop and Implementation of the Acquisition Life-Cycle Leadership Development Program. Succession and career path planning (Baseline \$81)		
9. Program Decreases		
a. Annualization of FY 2012 Program Decreases		
b. One-Time FY 2012 Increases		
c. Program Decreases in FY 2013		
FY 2013 Budget Request		944,000

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IV. Performance Criteria and Evaluation Summary:

Not Applicable

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<u>V. Personnel Summary</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	Change FY 2011/ FY 2012	Change FY 2012/ FY 2013
<u>Civilian End Strength (Total)</u>	5,228	5,105	3,918	-123	-1,187
U.S. Direct Hire	5,228	5,105	3,918	-123	-1,187
Total Direct Hire	5,228	5,105	3,918	-123	-1,187
<u>Civilian FTEs (Total)</u>	5,287	5,261	4,064	-26	-1,197
U.S. Direct Hire	5,287	5,261	4,064	-26	-1,197
Total Direct Hire	5,287	5,261	4,064	-26	-1,197
Average Annual Civilian Salary (\$ in thousands)	89.2	93.1	95.2	3.9	2.1

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

<u>OP 32 Line</u>	Change		Change		Change		<u>FY 2013 Estimate</u>
	<u>FY 2011 Actuals</u>	<u>FY 2011/FY 2012</u>		<u>FY 2012 Estimate</u>	<u>FY 2012/FY 2013</u>		
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	471,843	0	17,918	489,761	1,763	-104,494	387,030
199 Total Civ Compensation	471,843	0	17,918	489,761	1,763	-104,494	387,030
308 Travel of Persons	49,987	900	5,895	56,782	965	16,701	74,448
399 Total Travel	49,987	900	5,895	56,782	965	16,701	74,448
633 DLA Document Services	163	10	12	185	12	45	242
671 DISN Subscription Services (DSS)	3	0	-3	0	0	0	0
699 Total DWCF Purchases	166	10	9	185	12	45	242
912 GSA Leases (SLUC)	2,324	42	277	2,643	45	772	3,460
914 Purch Com (non fund)	0	0	4	4	0	1	5
915 Rents, Leases (non GSA)	0	0	0	0	0	5	5
917 Postal Svc (USPS)	3	0	-3	0	0	0	0
920 Supplies/Matl (non fund)	566	10	67	643	11	189	843
921 Print & Reproduction	208	4	24	236	4	70	310
922 Eqt Maint Contract	668	12	80	760	13	224	997
923 Facilities Maint by Contr	2,461	44	291	2,796	48	821	3,665
925 Eqt Purch (Non-Fund)	5,634	101	665	6,400	109	1,882	8,391
932 Mgt Prof Support Svcs	7,505	135	885	8,525	145	2,507	11,177
940 Defense Security Service	0	0	2,272	2,272	39	668	2,979
960 Interest and Dividends	2	0	-2	0	0	0	0
987 Other IntraGovt Purch	2,000	36	-2,036	0	0	0	0
989 Other Services	142,931	2,573	-25,413	120,091	2,042	290,421	412,554
990 IT Contract Support Ser	0	0	28,902	28,902	491	8,501	37,894
999 Total Other Purchases	164,302	2,957	6,013	173,272	2,947	306,061	482,280
Total	686,298	3,867	29,835	720,000	5,687	218,313	944,000

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

FY 2012 DAWDF Appropriation = \$105,501

FY 2013 DAWDF Appropriation Request = \$274,198