SEC. 323. EXPANSION OF USE OF UNIFORM FUNDING AUTHORITY TO PERMANENT CHANGE OF STATION AND TEMPORARY DUTY LODGING PROGRAMS OPERATED THROUGH NONAPPROPRIATED FUND INSTRUMENTALITIES.

Section 2491 of title 10, United States Code, is amended—

(1) in subsection (a), by inserting “and permanent change of station and temporary duty lodging programs” after "morale, welfare, and recreation programs" both places it appears;

(2) in subsection (b), by inserting “or a permanent change of station and temporary duty lodging program” after “morale, welfare, and recreation program”; and

(3) in subsection (c)(1), by inserting “and permanent change of station and temporary duty lodging programs” after “morale, welfare, and recreation programs”.

Section-by-Section Analysis

This proposal would expand use of uniform funding authority authorized for morale, welfare and recreation programs operated through nonappropriated fund instrumentalities to include permanent change of station and temporary duty lodging programs.

Under section 2491 of title 10, United States Code, only funds appropriated and available for certain programs may be treated as nonappropriated funds and expended in accordance with the laws applicable to the expenditure of nonappropriated funds. Per the law, Department of Defense regulations limit the practice to military morale, welfare and recreation (MWR) programs, exchange programs, and specified supplemental mission programs (for the latter, specifically “Stars and Stripes” and Service Academy mixed fund athletic or recreational extracurricular programs).

Because we are unable to use uniform funding practices for all supplemental mission activities, such as lodging, we cannot fully utilize cooperative management, complementary operations, and/or joint facilities among the programs supported by nonappropriated fund instrumentalities. Operations would be streamlined if the permanent change of station and temporary duty lodging programs, which are supported by independent MWR and supplemental mission nonappropriated fund instrumentalities, could utilize the practice to merge procurements, to include facility expenses except for construction, and workforce.

Budget Implications: This proposal would not change funding levels. Budget and accounting procedures are currently in place.

Changes to Existing Law: This section would make the following changes to 10 U.S.C. 2491:

§ 2491. Uniform funding and management of morale, welfare, and recreation programs

(a) AUTHORITY FOR UNIFORM FUNDING AND MANAGEMENT.—Under regulations prescribed by the Secretary of Defense, funds appropriated to the Department of Defense and available for morale, welfare, and recreation programs and permanent change of station and temporary duty lodging programs may be treated as nonappropriated funds and expended in accordance with laws applicable to the expenditures of nonappropriated funds. When made available for morale, welfare, and recreation programs and permanent change of station and temporary duty lodging programs, under such regulations, appropriated funds shall be considered to be nonappropriated funds for all purposes and shall remain available until expended.

(b) CONDITIONS ON AVAILABILITY.—Funds appropriated to the Department of Defense may be made available to support a morale, welfare, or recreation program or a permanent change of station and temporary duty lodging program only if the program is authorized to receive appropriated fund support and only in the amounts the program is authorized to receive.

(c) CONVERSION OF EMPLOYMENT POSITIONS.—(1) The Secretary of Defense may identify positions of employees in morale, welfare, and recreation programs and permanent change of station and temporary duty lodging programs within the Department of Defense who are paid with appropriated funds whose status may be converted from the status of an employee paid with appropriated funds to the status of an employee of a nonappropriated fund instrumentality.

(2) The status of an employee in a position identified by the Secretary under paragraph (1) may, with the consent of the employee, be converted to the status of an employee of a nonappropriated fund instrumentality. An employee who does not consent to the conversion may not be removed from the position because of the failure to provide such consent.

(3) The conversion of an employee from the status of an employee paid by appropriated funds to the status of an employee of a nonappropriated fund instrumentality shall be without a break in service for the concerned employee. The conversion shall not entitle an employee to severance pay, back pay or separation pay under subchapter IX of chapter 55 of title 5, or be considered an involuntary separation or other adverse personnel action entitling an employee to any right or benefit under such title or any other provision of law or regulation.