SEC. 305. EXPANSION OF USE OF UNIFORM FUNDING AUTHORITY TO PERMANENT CHANGE OF STATION AND TEMPORARY DUTY LODGING PROGRAMS OPERATED THROUGH NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) INCLUSION OF ADDITIONAL PROGRAMS.—Subsection (a) of section 2491 of title 10, United States Code, is amended—

(1) by striking "Under regulations" and inserting "(1) Under regulations";

(2) by striking "morale, welfare, and recreation programs" the first place it appears and inserting "a program specified in paragraph (2)";

(3) by striking "morale, welfare, and recreation programs" the second place it appears and inserting "such programs"; and

(4) by adding at the end the following new paragraph:

"(2) This section applies with respect to the following:

"(A) Morale, welfare, and recreation programs of the Department of Defense.

"(B) Permanent change of station and temporary duty lodging programs conducted as supplemental mission programs of the Department of Defense.".

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (b), by striking "morale, welfare, and recreation program" and inserting "program specified in subsection (a)(2)"; and

(2) in subsection (c)(1), by striking "morale, welfare, and recreation programs within the Department of Defense" and inserting "a program specified in subsection (a)(2)".

(c) CLERICAL AMENDMENTS.—

(1) SECTION HEADING.—The heading of such section is amended to read as follows:

"§ 2491. Uniform funding and management of morale, welfare, and recreation programs and certain supplemental mission programs".

(2) TABLE OF SECTIONS.—The table of sections at the beginning of subchapter III of chapter 147 of such title is amended by striking the item relating to section 2491 and inserting the following new item:

"2491. Uniform funding and management of morale, welfare, and recreation programs and certain supplemental mission 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 (NAFIs) 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.

Under current law, this treatment is limited to military morale, welfare and recreation (MWR) programs, exchange programs, and specified supplemental mission programs, such as athletic or recreational extracurricular programs. The proposal would expand this authority to include permanent change of station and temporary duty lodging programs, which would allow for efficiencies in lodging programs through consolidation of overhead expenses and contracts.

The proposed expansion of the uniform funding authority to lodging programs would streamline operations of NAFIs by allowing lodging programs to merge procurements and facility expenses, except for construction costs. The proposal would not change the use of appropriated and nonappropriated funds for the operations of NAFIs, because this use is governed by the Department's internal instructions.

This provision keeps the accounting for appropriated and nonappropriated funds separate. This provision intends to promote efficiencies. For instance, if NAFIs have to issue a contract for a widget that both funds need to purchase, then one contract is issued instead of two. If one facility is funded with both appropriated and nonappropriated funds, then one person is hired instead of hiring two people to do similar jobs.

Budget Implications: This proposal would not change funding levels. It would only promote efficiencies during execution..

RESOURCE REQUIREMENTS ($MILLIONS) REFLECTED IN PRESIDENT'S BUDGET								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
OM	$100.0	$110.4	$113.1	$117.7	$117.7	Service O&M	BA-04	11Z, 21Z, 31Z, 41Z
Total	$100.0	$110.4	$113.1	$117.7	$117.7	Service O&M	BA-04	11Z, 21Z, 31Z, 41Z

NUMBER OF PERSONNEL AFFECTED								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Army	689	674	674	674	674	Service O&M	BA-04	11Z, 21Z, 31Z, 41Z
Navy	22	22	0	0	0	Service O&M	BA-04	11Z, 21Z, 31Z, 41Z
Marine Corps	562	544	530	611	597	Service O&M	BA-04	11Z, 21Z, 31Z, 41Z
Coast Guard	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Air Force	117	117	117	117	117	Service O&M	BA-04	11Z, 21Z, 31Z, 41Z
Total	1,390	1,357	1,321	1,402	1,388	Service O&M	BA-04	11Z, 21Z, 31Z, 41Z

Cost Methodology: Each Service's budget process is based on lodging program operations, which includes manpower, and direct overhead (supervisory manpower).

Changes to Existing Law: This section would make the following changes to section 2491 of title 10 United States Code:

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

(a) AUTHORITY FOR UNIFORM FUNDING AND MANAGEMENT.—(1) Under regulations prescribed by the Secretary of Defense, funds appropriated to the Department of Defense and available for ~~morale, welfare, and recreation programs~~ a program specified in paragraph (2) 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~~

such programs under such regulations, appropriated funds shall be considered to be nonappropriated funds for all purposes and shall remain available until expended.

(2) This section applies with respect to the following:

(A) Morale, welfare, and recreation programs of the Department of Defense.

(B) Permanent change of station and temporary duty lodging programs conducted as supplemental mission programs of the Department of Defense.

(b) CONDITIONS ON AVAILABILITY.—Funds appropriated to the Department of Defense may be made available to support a ~~morale, welfare, or recreation~~ program specified in subsection (a)(2) 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 within the Department of Defense~~ a program specified in subsection (a)(2) 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.

(4) In this subsection, the term “an employee of a non-appropriated fund instrumentality” means an employee described in section 2105(c) of title 5.