SEC. ___. PILOT PROGRAM FOR THE TEMPORARY EXCHANGE OF FINANCIAL MANAGEMENT PERSONNEL.

(a) ASSIGNMENT AUTHORITY.—The Secretary of Defense may, with the agreement of the private sector organization concerned, arrange for the temporary assignment of an employee to such private sector organization, or from such private sector organization to a Department of Defense organization under this section. An employee shall be eligible for such an assignment only if the employee—

(1) works in the field of financial management;

(2) is considered by the Secretary of Defense to be an exceptional employee; and

(3) is compensated at not less than the GS–11 level (or the equivalent).

(b) AGREEMENTS.—The Secretary of Defense shall provide for a written agreement among the Department of Defense, the private sector organization, and the employee concerned regarding the terms and conditions of the employee's assignment under this section. The agreement—

(1) shall require, in the case of an employee of the Department of Defense, that upon completion of the assignment, the employee will serve in the civil service for a period at least equal to three times the length of the assignment, unless the employee is sooner involuntarily separated from the service of the employee's agency; and

(2) shall provide that if the employee of the Department of Defense or of the private sector organization (as the case may be) fails to carry out the agreement, or if the employee is voluntarily separated from the service of the employee's agency before the end of the period stated in the agreement, such employee shall be liable to the United

States for payment of all expenses of the assignment unless that failure or voluntary separation was for good and sufficient reason, as determined by the Secretary of Defense. An amount for which an employee is liable under paragraph (2) shall be treated as a debt due the United States. The Secretary may waive, in whole or in part, collection of such a debt based on a determination that the collection would be against equity and good conscience and not in the best interests of the United States.

(c) TERMINATION.—An assignment under this section may, at any time and for any reason, be terminated by the Department of Defense or the private sector organization concerned.

(d) DURATION.—An assignment under this section shall be for a period of not less than 3 months and not more than 1 year; however, no assignment under this section may commence after September 30, 2019.

(e) STATUS OF FEDERAL EMPLOYEES ASSIGNED TO PRIVATE SECTOR ORGANIZATION.—An employee of the Department of Defense who is temporarily assigned to a private sector organization under this section shall be considered, during the period of assignment, to be on detail to a regular work assignment in the Department for all purposes. The written agreement established under subsection (b) shall address the specific terms and conditions related to the employee's continued status as a Federal employee.

(f) TERMS AND CONDITIONS FOR PRIVATE SECTOR EMPLOYEES.—An employee of a private sector organization who is assigned to a Department of Defense organization under this section—

(1) shall continue to receive pay and benefits from the private sector organization from which such employee is assigned;

(2) is deemed to be an employee of the Department of Defense for the purposes of—

(A) chapter 73 of title 5, United States Code;

(B) sections 201, 203, 205, 207, 208, 209, 603, 606, 607, 643, 654, 1905, and 1913 of title 18, United States Code, and any other conflict of interest statute;

(C) sections 1343, 1344, and 1349(b) of title 31, United States Code;

(D) the Federal Tort Claims Act and any other Federal tort liability statute;

(E) the Ethics in Government Act of 1978;

(F) section 1043 of the Internal Revenue Code of 1986;

(G) chapter 21 of title 41, United States Code; and

(H) subchapter I of chapter 81 of title 5, United States Code, relating to compensation for work-related injuries; and

(3) may not have access, while the employee is assigned to a Department of Defense organization, to any trade secrets or to any other nonpublic information which is of commercial value to the private sector organization from which such employee is assigned.

(g) PROHIBITION AGAINST CHARGING CERTAIN COSTS TO THE FEDERAL GOVERNMENT.—A private sector organization may not charge the Department of Defense or any other agency of the Federal Government, as direct or indirect costs under a Federal contract, the costs of pay or benefits paid by the organization to an employee assigned to a Department of Defense organization under this section for the period of the assignment.

(h) CONSIDERATION.—The Secretary of Defense shall take into consideration the question of how assignments might best be used to help meet the needs of the Department of Defense with respect to the training of employees in financial management.

(i) NUMERICAL LIMITATION.—Not more than five Department of Defense employees may be assigned to private sector organizations under this section, and not more than five employees of private sector organizations may be assigned to the Department of Defense under this section, at any given time.

Section-by-Section Analysis

This proposal would establish a Financial Management Exchange Program (FMEP) pilot program between the Department of Defense (DoD) and private industry that would provide a unique opportunity to share best practices, gain a better understanding of each other's financial management practices and challenges, and create a partnership to address these challenges. In addition, the FMEP could be used to enhance the financial management competencies and technical skills of the DoD civilian financial management workforce and their peers in the private sector. Only exceptional Federal employees (those having superior performance accomplishing duties as assigned) would be eligible for this program.

The need to improve skills in financial analysis across all of the Comptroller Mission Critical Occupational Series would be enhanced through a program such as FMEP. The increased knowledge and understanding of our roles and those of private industry would assist in support of audit readiness. Additionally, the FMEP would make our personnel aware of the requirement to improve financial information so that it is more accurate and useful to those financial managers making fiscal decisions for the future.

This proposal is modeled on section 1110 of the National Defense Authorization Act for Fiscal Year (FY) 2010 (Public Law 111-84), which authorized a Pilot Program for the Temporary Exchange of Information Technology Exchange Personnel, known as the DoD Information Technology Exchange Program (ITEP) pilot. That program allows both DoD and private sector IT employees who work in the field of information technology to participate in a temporary detail to the other sector. The FMEP would enable the DoD Financial Management community to remain on par with the private sector and stay abreast of evolving financial issues on a much broader scale.

Budget Implications: This proposal does not require any additional resources. Employee salaries are a cost to the Department of Defense regardless of whether or not the employee participates in the program.

RESOURCE REQUIREMENTS($)									
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**	**Program Element**
	74,872	75,246	75,999	77,199	78,296	O&M Def-Wide	4	4GTN	
	74,872	75,246	75,999	77,199	78,296	O&M Army	4	431	
	74,872	75,246	75,999	77,199	78,296	O&M Air Force	4	042A	
	149,744	150,492	151,998	154,398	156,592	O&M Navy	4	4A1M	
Total	374,360	376,230	379,995	385,995	391,480	--	--	--	--

Changes to Existing Law: This proposal would not change any existing laws.