SEC. ___. PURPOSES FOR WHICH THE DEPARTMENT OF DEFENSE ACQUISITION WORKFORCE DEVELOPMENT FUND MAY BE USED.

(a) IN GENERAL.—Subsection (e)(4) of section 1705 of title 10, United States Code, is amended by striking "other than for the purpose of" and all that follows and inserting "other than for the purpose of—

"(A) providing advanced training to Department of Defense employees; and

"(B) support of human capital and talent management of the acquisition workforce, including benchmarking studies, assessments, and requirements planning.".

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

(1) in subsection (d)(2)(C), by striking "in each" and inserting "in such";

(2) in subsection (f)—

(A) by striking "Not later than 120 days after the end of each fiscal year" and inserting "Not later than February 1 each year"; and

(B) by striking "such fiscal year" the first place it appears and inserting "the preceding fiscal year"; and

(3) in subsection (g)(1)—

(A) by striking "of of" and inserting "of"; and

(B) by striking ", as defined in subsection (h),".

[Note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

The purpose of the Defense Acquisition Workforce Development Fund (DAWDF) (10 U.S.C. 1705) is to ensure that the Department of Defense (DoD) acquisition workforce has the capacity, in both personnel and skills, needed to perform properly its mission, provide appropriate oversight of contractor performance, and ensure that the Department receives the best value for expenditure of public resources. The DAWDF is a critical enabler for the Defense Acquisition Workforce strategy to sustain responsibly and continuously improve the workforce. The DAWDF has been in operation since 2008, and was extended indefinitely by section 841 of the National Defense Authorization Act for Fiscal Year 2016 NDAA at an annual $500 million level. Clarification pertaining to contractor support is needed to enhance consistency and promote effective use of the DAWDF across DoD. This proposal would clarify the authority and allow use of the DAWDF to make payments to contractors, in addition to training, for support of human capital and talent management.

Budget Implications: All DAWDF costs are funded under existing statutory (10 U.S.C. 1705) levels. The amount of the DAWDF impacted by this language is captured below.

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
DAWDF	5.0	5.0	5.0	5.0	5.0	Defense Acquisition Workforce Development Fund		

Changes to Existing Law: This proposal would make the following changes to section 1705 of title 10, United States Code:

§ 1705. Department of Defense Acquisition Workforce Development Fund

(a) ESTABLISHMENT.—The Secretary of Defense shall establish a fund to be known as the "Department of Defense Acquisition Workforce Development Fund" (in this section referred to as the "Fund") to provide funds, in addition to other funds that may be available, for the recruitment, training, and retention of acquisition personnel of the Department of Defense.

(b) PURPOSE.—The purpose of the Fund is to ensure that the Department of Defense acquisition workforce has the capacity, in both personnel and skills, needed to properly perform its mission, provide appropriate oversight of contractor performance, and ensure that the Department receives the best value for the expenditure of public resources.

(c) MANAGEMENT.—The Fund shall be managed by a senior official of the Department of Defense designated by the Under Secretary of Defense for Acquisition, Technology, and Logistics for that purpose, from among persons with an extensive background in management relating to acquisition and personnel.

(d) ELEMENTS.—

(1) IN GENERAL.—The Fund shall consist of amounts as follows:

(A) Amounts credited to the Fund under paragraph (2).

(B) Amounts transferred to the Fund pursuant to paragraph (3).

(C) Any other amounts appropriated to, credited to, or deposited into the Fund by law.

(2) CREDITS TO THE FUND.—(A) There shall be credited to the Fund an amount equal to the applicable percentage for a fiscal year of all amounts expended by the Department of Defense in such fiscal year for contract services from amounts available for contract services for operation and maintenance.

(B) Subject to paragraph (4), not later than 30 days after the end of the first quarter of each fiscal year, the head of each military department and Defense Agency shall remit to the Secretary of Defense, from amounts available to such military department or Defense Agency, as the case may be, for contract services for operation and maintenance, an amount equal to the applicable percentage for such fiscal year of the amount expended by such military department or Defense Agency, as the case may be, during such fiscal year for services covered by subparagraph (A). Any amount so remitted shall be credited to the Fund under subparagraph (A).

(C) For purposes of this paragraph, the applicable percentage for a fiscal year is the percentage that results in the credit to the Fund of $500,000,000 in ~~each~~ **such** fiscal year.

(D) The Secretary of Defense may reduce the amount specified in subparagraph (C) for a fiscal year if the Secretary determines that the amount is greater than is reasonably needed for purposes of the Fund for such fiscal year. The Secretary may not reduce the amount for a fiscal year to an amount that is less than $400,000,000.

(3) TRANSFER OF CERTAIN UNOBLIGATED BALANCES.—To the extent provided in appropriations Acts, the Secretary of Defense may, during the 36-month period following the expiration of availability for obligation of any appropriations made to the Department of Defense for procurement, research, development, test, and evaluation, or operation and maintenance, transfer to the Fund any unobligated balance of such appropriations. Any amount so transferred shall be credited to the Fund.

(4) ADDITIONAL REQUIREMENTS AND LIMITATIONS ON REMITTANCES.—***

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(e) AVAILABILITY OF FUNDS. —

(1) IN GENERAL.—Subject to the provisions of this subsection, amounts in the Fund shall be available to the Secretary of Defense for expenditure, or for transfer to a military department or Defense Agency, for the recruitment, training, and retention of acquisition personnel of the Department of Defense for the purpose of the Fund, including for the provision of training and retention incentives to the acquisition workforce of the Department. In the case of temporary members of the acquisition workforce designated pursuant to subsection (h)(2), such funds shall be available only for the limited purpose of providing training in the performance of acquisition-related functions and duties.

(2) PROHIBITION.—Amounts in the Fund may not be obligated for any purpose other than purposes described in paragraph (1) or otherwise in accordance with this subsection.

(3) GUIDANCE.—***

(4) LIMITATION ON PAYMENTS TO OR FOR CONTRACTORS.—Amounts in the Fund shall not be available for payments to contractors or contractor employees, other than for the purpose of—

(A) providing advanced training to Department of Defense employees; **and**

(B) support of human capital and talent management of the acquisition workforce, including benchmarking studies, assessments, and requirements planning.

(5) ***

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(f) ANNUAL REPORT.—Not later than ~~120 days after the end of~~ **February 1** each ~~fiscal~~ year, the Secretary of Defense shall submit to the congressional defense committees a report on the operation of the Fund during ~~such~~ **the preceding** fiscal year. Each report shall include, for the fiscal year covered by such report, the following:

(1) A statement of the amounts remitted to the Secretary for crediting to the Fund for such fiscal year by each military department and Defense Agency, and a statement of the amounts credited to the Fund for such fiscal year.

(2) A description of the expenditures made from the Fund (including expenditures following a transfer of amounts in the Fund to a military department or Defense Agency) in such fiscal year, including the purpose of such expenditures.

(3) A description and assessment of improvements in the Department of Defense acquisition workforce resulting from such expenditures.

(4) Recommendations for additional authorities to fulfill the purpose of the Fund.

(5) A statement of the balance remaining in the Fund at the end of such fiscal year.

(g) EXPEDITED HIRING AUTHORITY.—For purposes of sections 3304, 5333, and 5753 of title 5, the Secretary of Defense may—

(1) designate any category of acquisition workforce positions of ~~of~~ positions in the acquisition workforce~~, as defined in subsection (h),~~ as positions for which there exists a shortage of candidates or there is a critical hiring need; and

(2) utilize the authorities in such sections to recruit and appoint qualified persons directly to positions so designated.

(h) ACQUISITION WORKFORCE DEFINED.—In this section, the term "acquisition workforce" means the following:

(1) Personnel in positions designated under section 1721 of this title as acquisition positions for purposes of this chapter.

(2) Other military personnel or civilian employees of the Department of Defense who-

(A) contribute significantly to the acquisition process by virtue of their assigned duties; and

(B) are designated as temporary members of the acquisition workforce by the Under Secretary of Defense for Acquisition, Technology, and Logistics, or by the senior acquisition executive of a military department, for the limited purpose of receiving training for the performance of acquisition-related functions and duties.