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

(a) CLARIFICATION OF AVAILABILITY OF FUNDS.—Paragraph (1) of section 1705(e) of title 10, United States Code, is amended—

(1) in the first sentence, by striking "including for the provision of training and retention incentives to the acquisition workforce of the Department." and inserting "including for the provision of workforce planning and research, training, development, retention incentives, and support approved by, and consistent with guidance issued by, the senior official designated to manage the Fund to achieve the objectives of the recruitment, hiring, training and development, sustainment, and retention of acquisition personnel of the Department."; and

(2) by inserting after the first sentence the following new sentences: "Amounts in the Fund shall not be used for contractual services, supplies, or equipment used to execute acquisition mission operations. Amounts in the Fund may be used for contractual services, supplies, and equipment only in direct support of activities identified in this section, approved by the senior official, and consistent with senior official guidance.".

(b) REVISION TO LIMITATION ON PAYMENTS TO OR FOR CONTRACTORS.—Paragraph (4) of such section is amended to read as follows:

"(4) LIMITATION ON PAYMENTS TO OR FOR CONTRACTORS.—Application for amounts in the Fund that includes amounts to be made available for payments to contractors or contractor employees for achieving the purposes of the Fund shall be subject to the approval of the senior official designated to manage the Fund. The Fund

shall not be used to provide training or any other support to contractors.”.

Section-by-Section Analysis

The purpose of the Defense Acquisition Workforce Development Fund (DAWDF) (10 U.S.C.1705 (b)) is to ensure that the Department of Defense (DoD) 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 expenditure of public resources. The DAWDF is a critical enabler for the Defense Acquisition Workforce improvement strategy. This proposal would clarify statutory authority to use the DAWDF for support essential to conduct recruitment, hiring, training and development, sustainment, retention and recognition of acquisition personnel.

Under the current language of 10 U.S.C. 1705(e), DoD components have expressed numerous concerns whether or not the DAWDF may be used for direct and indirect tangible costs necessary to execute workforce improvement initiatives. The proposed changes in this proposal are not intended to provide authority for use of DAWDF for major infrastructure investment, construction costs, nor any costs associated with organizational mission operations. As the acquisition workforce hiring initiative is near completion, guidance will prohibit the use of DAWDF for support costs associated with significant surge hiring. Providing this expanded authority will clarify that DAWDF can be used for workforce improvement purposes, in addition to providing for advanced training. The change is essential to continue the President’s mandate for the Federal Government to have sufficient capacity to manage and oversee its contracting process. The DAWDF senior official, as required by 10 U.S.C. 1705(e)(3), will provide guidance that DAWDF user annual or out-of-cycle applications for DAWDF funds will identify any amounts, justification and plan for inclusion in future years base budgets as appropriate.

Budget Implications: These costs would be funded by the DAWDF within existing statutory (10 U.S.C. 1705) funding levels as recently reduced by the Fiscal Year 2013 National Defense Authorization Act (P.L. 112-239). The following are the current statutory DAWDF funding levels:

DAWDF ($000s)	FY13	FY14	FY15	FY16	FY17	FY18
Current Statutory DAWDF Levels*	$500,000,000	$800,000,000	$700,000,000	$600,000,000	$500,000,000	$400,000,000

*DAWDF is comprised of appropriated (111) and funds credited based on the 10 U.S.C. 1705 funds collection process.

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.—

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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~~ including for the provision of workforce planning and research, training, development, retention incentives, and support approved by, and consistent with guidance issued by, the senior official designated to manage the Fund to achieve the objectives of the recruitment, hiring, training and development, sustainment, and retention of acquisition personnel of the Department. Amounts in the Fund shall not be used for contractual services, supplies, or equipment used to execute acquisition mission operations. Amounts in the Fund may be used for contractual services, supplies, and equipment only in direct support of activities identified in this section, approved by the senior official, and consistent with senior official guidance. 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.—The Under Secretary of Defense for Acquisition, Technology, and Logistics, acting through the senior official designated to manage the Fund, shall issue guidance for the administration of the Fund. Such guidance shall include provisions—

(A) identifying areas of need in the acquisition workforce for which amounts in the Fund may be used, including—

(i) changes to the types of skills needed in the acquisition workforce;

(ii) incentives to retain in the acquisition workforce qualified, experienced acquisition workforce personnel; and

(iii) incentives for attracting new, high-quality personnel to the acquisition workforce;

(B) describing the manner and timing for applications for amounts in the Fund to be submitted;

(C) describing the evaluation criteria to be used for approving or prioritizing applications for amounts in the Fund in any fiscal year; and

(D) describing measurable objectives of performance for determining whether amounts in the Fund are being used in compliance with this section.

(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 providing advanced training to Department of Defense employees.~~ Application for amounts in the Fund that includes amounts to be made available for payments to contractors or contractor employees for achieving the purposes of the Fund shall be subject to the approval of the senior official designated to manage the Fund. The Fund shall not be used to provide training or any other support to contractors.

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