

Defense Acquisition Workforce Development Fund (DAWDF) FY 2012 Annual Report to Congress

10 U.S.C. 1705(f)



**Office of the Under Secretary of Defense for
Acquisition, Technology and Logistics**

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Summary

Title 10, U.S.C., section 1705, “Department of Defense Acquisition Workforce Development Fund” (DAWDF), directed the Department of Defense (DoD) to establish the DAWDF to provide funding for the recruitment, training, and retention of DoD acquisition personnel. The purpose of the DAWDF is to: (1) ensure that the DoD acquisition workforce has the capacity, in both personnel and skills, needed to properly perform its mission; (2) provide appropriate oversight of contractor performance; and (3) ensure that the Department receives the best value for the expenditure of public resources. Title 10, U.S.C., section 1705 requires the Military Departments and Defense agencies (the Components) to remit amounts to the Secretary of Defense for crediting to the DAWDF and requires credits in amounts equal to the applicable percentage for a fiscal year of all amounts expended by the Department for contract services from amounts available for operations and maintenance (O&M). Amounts credited to the fund are available for obligation in the fiscal year for which credited, transferred, appropriated, or deposited and for the two succeeding fiscal years. DAWDF-appropriated O&M funds (1-year availability) are also credited to the Fund.

Title 10, U.S.C., section 1705(f) requires the Secretary of Defense to submit an annual report on the operation of the Fund and to address the topics described in sections 1-5 of this report. FY 2012 completed the fourth full year of operations for the DAWDF.

A primary use of the DAWDF has been to rebuild the capacity and size of the Defense Acquisition Workforce. In FY 2012, 1,279 civilian employees were hired with the DAWDF, of which 36 percent were in the contracting career category and 22 percent in engineering and science. During FY 2012, three types of funding were managed (FY 2011-FY 2013; FY 2012-FY 2014; and FY 2012 DAWDF appropriation credits). The FY 2011-FY 2013 funds will expire at the end of FY 2013; FY 2012-FY 2014 funds expire at the end of FY 2014; and appropriated FY 2012 funds expired at the end of FY 2012. Total funds obligated in FY 2012 from all funding sources were \$626.4 million (see Figures C & D). As indicated in Figure F, DoD Components executed 96.5 percent of the FY 2011-2013 cumulative funding, 27.2 percent of the FY 2012-2014 funding, and 99.3 percent of FY 2012-appropriated funds by the end of FY 2012.

The source of all financial figures in this report is the Defense Finance and Accounting Service 1002 monthly Appropriation Status by Fiscal Year Program and Subaccounts Report.

1. Amounts Remitted/Credited

Title 10, U.S.C., section 1705(f)(1) requires the Department to report on the operation of the Fund, including amounts remitted to the Secretary for crediting to the Fund by each Component, to include a statement of the amounts credited to the Fund for such fiscal year. All

funds displayed in Figure A are DAWDF funds remitted in FY 2012. FY 2012-FY 2014 funds credited in the last two quarters of FY 2012 were planned for use in FY 2012 and FY 2013. Additional FY 2012 DAWDF funds remitted in FY 2013 will be addressed in the FY 2013 DAWDF report.

Figure A – Collections remitted by Components in FY 2012
(FY 2011+ FY 2012 Funds Collected in FY 2012 in Figure B below)

<i>in \$000s</i>	Army	Navy	Air Force	Defense-wide*	Total
Amount	\$196,838.0	\$84,900.0	\$288,440.0	\$131,404.5	\$701,582.5

* For collections, "Defense-wide" includes DCMA and DCAA. Remittances by agency provided at Appendix A

Figure B – Annual Credits to the Fund by Year

<i>in \$000s</i>	in FY 2008	in FY 2009	in FY 2010	in FY 2011	in FY 2012	Total
FY 2008 Funds (collected)	\$169,190.0	\$85,735.5				\$254,925.5
FY 2009 Funds (collected)		\$440,258.0	\$261,867.0			\$702,125.0
FY 2010 Funds (collected)			\$ -			\$ -
FY 2010 Funds (appropriated)			\$99,874.0			\$99,874.0
FY 2011 Funds (collected)				\$226,128.5	\$173,871.5	\$400,000.0
FY 2011 Funds (appropriated)				\$208,767.0		\$208,767.0
FY 2012 Funds (collected)					\$527,711.0	\$527,711.0
FY 2012 Funds (appropriated)					\$105,501.0	\$105,501.0
Total Funds	\$169,190.0	\$525,993.5	\$361,741.0	\$434,895.5	\$807,083.5	\$2,298,903.5

2. FY 2012 Obligations* Made from the Fund in FY 2012

Figure C – FY 2012 DAWDF Obligations by Category**

<i>in \$000s</i>	FY 2011/2013 Funds Obligated in FY 2012	FY 2012/2012 Funds Obligated in FY 2012	FY 2012/2014 Funds Obligated in FY 2012	FY 2012 Total Obligations	Percent
Training and Development	\$83,474.5	\$17,197.6	\$44,630.9	\$145,303.0	23.2%
Retention and Recognition	\$31,108.2	\$2,410.9	\$6,248.8	\$39,767.9	6.3%
Recruiting and Hiring	\$263,415.6	\$85,146.9	\$92,743.8	\$441,306.4	70.5%
Total***	\$377,998.3	\$104,755.4	\$143,623.6	\$626,377.3	

* Expenditures provided at Appendix B.

** DAWDF initiative categories are: (1) Training & Development; (2) Retention & Recognition; (3) Recruiting & Hiring.

*** Numbers may not add due to rounding.

Figure D – FY 2012 DAWDF Obligations by Component*

<i>in \$000s</i>	FY 2011/2013 Funds Obligated in FY 2012	FY 2012/2012 Funds Obligated in FY 2012	FY 2012/2014 Funds Obligated in FY 2012	Total FY 2012 All Obligations
Army	\$60,410.3	\$19,252.9	\$25,488.3	\$105,151.6
Navy	\$72,281.9	\$22,500.0	\$30,699.8	\$125,481.7
Air Force	\$66,503.5	\$19,217.2	\$25,067.3	\$110,788.0
Defense-wide **	\$44,470.8	\$6,830.9	\$67.7	\$51,369.4
DCMA	\$62,165.7	\$21,489.6	\$20,353.5	\$104,008.8
DCAA	\$22,936.1	\$5,979.3	\$8,571.6	\$37,487.1
DAU	\$49,229.9	\$9,485.5	\$33,375.3	\$92,090.7
Overall***	\$377,998.3	\$104,755.4	\$143,623.6	\$626,377.3

* Expenditures provided at Appendix B; obligations and expenditures provided by component at Appendix C.

** Excludes Defense Contract Audit Agency (DCAA) and Defense Contract Management Agency (DCMA).

*** Numbers may not add due to rounding.

3. Improvements to the DoD Acquisition Workforce Resulting from Expenditures from the Fund

Cumulatively, since its establishment, the DAWDF has enabled Components to increase hiring by 8,346 personnel.¹ Components increased the number of acquisition personnel in mission-critical areas such as contracting, systems engineering, cost estimating, and auditing. Examples of accomplishments include:

- Training and Development:** Twenty-three percent of the DAWDF obligations in FY 2012 funded Defense Acquisition University (DAU) and Component training. The DAWDF has been a major tool for mitigating training capacity shortfalls and improving training resources. Slightly more than one-third of DAU obligations (\$31.3 million) directly covered student travel to Defense Acquisition Workforce Improvement Act (DAWIA) classes, and almost one-fourth (\$22.6 million) was obligated for civilian payroll. DAWDF funded an additional 61,678 graduates (22,347 classroom and 39,331 online) and 908 course offerings above the FY 2008 pre-DAWDF baseline. This represents a 62-percent increase in classroom grads and a 33-percent increase in online grads from the FY 2008 baseline (35,861 and 118,391 respectively). DAU added three new classrooms and six new classroom breakout areas, bringing our DAWDF-funded new classroom total to 32 and new classroom breakout areas to a total to 60. Continuous improvement initiatives in training and development continued to be a major DAWDF focus. For example, in FY 2012, the Air Force continued to use DAWDF to afford civilian employees the same training opportunities as military members in initial skills training at the Air Force Institute of Technology for contracting, program management, engineering, and science. DAWDF also funded additional seats in Air Force acquisition

¹ Recent component adjustments to prior year DAWDF reported hires (all categories of hires –growth, advanced and HQEs) impact prior total hiring reported in prior annual DAWDF reports. Total hires for FY 2009 is revised from 2,020 to 1,981. Total hires for FY10 is revised from 2,764 to 2,987. Total hires for FY 2011 is revised from 1,616 to 2,099. The current cumulative total of 8,346 DAWDF hires reflects these adjustments.

leadership and technical courses complementing DAU training. Several Air Force Test and Evaluation courses and cost analysis courses were initiated in FY 2012 with DAWDF funding. The Air Force also used DAWDF to develop further its Career Path Tool to support civilian acquisition professionals and to continue its workforce development and succession planning initiatives with the Office of Personnel Management.

- **Retention and Recognition:** Six percent of the obligations in FY 2012 were used to enhance retention and recognition. These incentives included: 11,281 tuition assistance incentives, 854 student loan repayments; 52 First Duty Station moves; 35 Permanent Change of Station moves; 155 advanced academic degrees; 1,306 courses towards advanced academic degrees; 1,285 performance awards; seven other retention incentives; and 13 recognition incentives.
- **Recruiting and Hiring:** Seventy percent of the obligations supported recruiting and hiring. As indicated in Figure E, 1,279 personnel were hired using DAWDF for the workforce rebuilding initiative in FY 2012 (763 interns and 516 journeymen). The Fund was used for 135 recruiting bonuses for hard-to-fill positions. The Components also conducted 65 outreach efforts through job fairs and university visits with 375 contacts and attendees. The DAWDF supported 8,346 cumulative hires through FY 2012; which includes the three hiring initiative categories: rebuilding/growth, advance hires, and HQEs.

Figure E – DAWDF Funded Employees brought on board in FY 2012

	Army	Navy	Air Force	Defense-wide Agencies *	DCMA	DCAA	Overall	Percent
Auditing	-	-	-	-	-	8	8	1%
Cost Estimating	-	11	12	-	-	-	23	2%
Financial Management	4	11	16	10	2	-	43	3%
Contracting	78	58	86	35	186	-	443	35%
Facilities Engineering	1	5	-	-	-	-	6	0%
IT Management	4	3	3	-	6	-	16	1%
Industrial/Prop Contract Mgt	-	-	-	-	8	-	8	1%
Life Cycle Logistics	5	46	26	-	1	-	78	6%
Prod, Quality & Manufacturing	14	-	6	-	215	-	235	18%
Program Management	15	5	31	19	6	-	76	6%
Systems Planning, Research Development, Engineering	10	99	66	63	40	-	278	22%
Test & Evaluation	12	6	30	2	-	-	50	4%
Other (e.g. acquisition attorneys)	7	5	2	1	-	-	15	1%
Total	150	249	278	130	464	8	1,279	

* Excludes DCAA, DCMA.

4. Recommendations for Additional Authorities

There are no recommendations at this time.

5. Unobligated Balance Remaining* in the Fund at the End of FY 2012 (Cumulative)

Figure F – Balance Remaining in the Fund at the end of FY 2012**

<i>in \$000s</i>	<u>Cumulative Funds Received</u>	<u>Cumulative Funds Obligated</u>	Percent Obligated	<u>Cumulative Remaining Balance</u>
FY 2011-2013 Funds (collected)	\$400,000.0	\$385,871.9	96.5%	\$14,128.1
FY 2012-2014 Funds (collected)	\$527,711.0	\$143,623.6	27.2%	\$384,087.4
FY 2012-2012 Funds (appropriated)	\$105,501.0	\$104,755.4	99.3%	\$745.6
Overall***	\$1,033,212.0	\$634,250.9	61.4%	\$398,961.1

* Disbursements provided at Appendix B.

** FY 2012-2014 funds were credited in the 3rd and 4th quarter of FY 2012 and planned for use in FY 2012 and FY 2013. Figure F unobligated balance numbers are derived from cumulative obligations; for example, FY 2011-2013 Funds remaining balance numbers are based on obligations made in FY 2011 and FY 2012.

*** Numbers may not add due to rounding.

Appendix A – Amounts Remitted Defense-Wide Agency Breakout

1. Amounts Remitted/Credited (DAWDF Appropriations + Collections)

Figure A – Prior FY required collections remitted by components in FY 2012

<i>In \$000s</i>	Amounts Remitted in FY 2012
Army	\$ 196,838.00
Navy	\$ 84,900.00
Air Force	\$ 288,440.00
OSD	\$ 11,147.00
BTA	\$ -
DCAA	\$ 330.50
DCMA	\$ 1,113.00
DHRA	\$ 6,446.00
DIA	\$ 15,418.00
DISA	\$ 9,826.00
DLA	\$ 2,218.00
DLSA	\$ 55.00
DMA (AFIS)	\$ 1,174.00
DoDEA	\$ -
DPMO	\$ 12.00
DSCA	\$ 793.00
DSS	\$ 762.00
DTRA	\$ 2,311.00
DTSA	\$ 104.00
NDU	\$ 253.00
NGA	\$ 17,108.00
NSA	\$ 38,000.00
USSOCOM	\$ 19,154.00
TJS (Joint Staff)	\$ 2,956.00
WHS	\$ 2,224.00
Overall	\$ 701,582.50

Appendix B – Disbursements from the Fund²

A. FY 2012 Expenditures Made from the Fund in FY 2012

Figure A -- FY 2012 DAWDF Expenditures by Category*****

<i>In \$000s</i>	FY 2011/2013 Funds Disbursed in FY 2012	FY 2012/2012 Funds Disbursed in FY 2012	FY 2012/2014 Funds Disbursed in FY 2012	All Disbursements Total FY 2012	Percent
Training and Development	\$ 56,887.9	\$ 13,231.8	\$ 12,693.1	\$ 82,812.9	15.9%
Retention and Recognition	\$ 21,929.7	\$ 1,573.4	\$ 1,912.3	\$ 25,415.5	4.9%
Recruiting and Hiring	\$ 258,389.1	\$ 82,998.5	\$ 71,498.3	\$ 412,886.0	79.2%
* Total	\$ 337,206.8	\$ 97,803.7	\$ 86,103.8	\$ 521,114.3	

* Numbers may not add due to rounding

** Disbursement actions subject to normal reconciliation processes between treasury and department/agency accounting records

*** The DAWDF has 3 categories: (1) Training & Development; (2) Retention & Recognition; (3) Recruiting & Hiring

Figure B -- FY 2012 DAWDF Expenditures by Component**

<i>In \$000s</i>	FY 2011/2013 Funds Disbursed in FY 2012	FY 2012/2012 Funds Disbursed in FY 2012	FY 2012/2014 Funds Disbursed in FY 2012	All Disbursements Total FY 2012
Army	\$ 48,485.5	\$ 18,652.8	\$ 15,201.7	\$ 82,340.0
Navy	\$ 64,481.8	\$ 20,901.6	\$ 10,626.1	\$ 96,009.4
Air Force	\$ 65,904.0	\$ 19,173.4	\$ 22,743.2	\$ 107,820.7
Defense-wide*	\$ 36,680.6	\$ 4,949.2	\$ 67.7	\$ 41,697.5
DCMA	\$ 61,040.0	\$ 21,226.7	\$ 18,873.0	\$ 101,139.7
DCAA	\$ 23,710.5	\$ 5,332.0	\$ 7,978.0	\$ 37,020.4
DAU	\$ 36,904.4	\$ 7,568.0	\$ 10,614.0	\$ 55,086.4
** Overall	\$ 337,206.8	\$ 97,803.7	\$ 86,103.8	\$ 521,114.3

* Excludes Defense Contract Audit Agency (DCAA) and Defense Contract Management Agency (DCMA)

** Disbursement actions subject to normal reconciliation processes between treasury and department/agency accounting records

*** Numbers may not add due to rounding

B. Undisbursed Balance Remaining in the Fund at the End of FY 2012

Figure C -- Undisbursed Balance Remaining in the Fund at the end of FY 2012**

<i>In \$000s</i>	Cumulative Funds Received	Cumulative Funds Disbursed	Percent Disbursed	Undisbursed Balance
FY 2011-2013 Funds	\$ 400,000.0	\$ 339,594.8	84.9%	\$ 60,405.2
FY 2012-2012 Funds (Direct DAWDF Appropriation)	\$ 105,501.0	\$ 97,803.7	92.7%	\$ 7,697.3
FY 2012-2014 Funds	\$ 323,528.9	\$ 86,103.8	26.6%	\$ 237,425.0
* Overall	\$ 829,029.9	\$ 523,502.4	63.1%	\$ 305,527.5

* Numbers may not add due to rounding

** FY 2011-2013 & FY 2012-2014 funds have a statutory three year availability and were carried over to fund FY 2013 requirements

² Figures in Appendix B have been adjusted to exclude administrative use amounts on the Defense Finance and Accounting Service 1002 financial report.

Appendix C – Obligations & Disbursements Defense-Wide Agency Breakout

A. FY 2012 Obligations Made from the Fund in FY 2012

Figure A – FY 2012 DAWDF Obligations by Component

<i>In \$000s</i>	FY 2011/2013 Funds Obligated in FY 2012	FY 2012/2012 Funds Obligated in 2012	FY 2012/2014 Funds Obligated in FY 2012	All Obligations Total FY 2012
Army	\$ 60,410.3	\$ 19,252.9	\$ 25,488.3	\$ 105,151.6
Navy	\$ 72,281.9	\$ 22,500.0	\$ 30,699.8	\$ 125,481.7
Air Force	\$ 66,503.5	\$ 19,217.2	\$ 25,067.3	\$ 110,788.0
DCMA	\$ 62,165.7	\$ 21,489.6	\$ 20,353.5	\$ 104,008.8
DCAA	\$ 22,936.1	\$ 5,979.3	\$ 8,571.6	\$ 37,487.1
DAU	\$ 49,229.9	\$ 9,485.5	\$ 33,375.3	\$ 92,090.7
AT&L	\$ 1,280.9	\$ -	\$ -	\$ 1,280.9
DARPA	\$ 17.0	\$ -	\$ -	\$ 17.0
DeCA	\$ 1,007.0	\$ -	\$ -	\$ 1,007.0
DFAS	\$ 220.5	\$ -	\$ -	\$ 220.5
DIA	\$ 3,013.0	\$ 396.0	\$ -	\$ 3,409.0
DISA	\$ 2,267.0	\$ 259.0	\$ -	\$ 2,526.0
DLA	\$ 5,766.9	\$ 1,015.1	\$ -	\$ 6,782.0
DMEA	\$ 1,841.6	\$ -	\$ -	\$ 1,841.6
DoDEA	\$ 1,568.0	\$ 258.0	\$ 67.7	\$ 1,893.7
DSS	\$ 293.9	\$ -	\$ -	\$ 293.9
DTRA	\$ 4,144.3	\$ -	\$ -	\$ 4,144.3
HCI	\$ 330.0	\$ -	\$ -	\$ 330.0
MDA	\$ 6,354.0	\$ 2,226.5	\$ -	\$ 8,580.5
NGA	\$ 6,275.1	\$ 873.4	\$ -	\$ 7,148.5
NSA	\$ 5,819.8	\$ 1,536.0	\$ -	\$ 7,355.8
OSD	\$ -	\$ -	\$ -	\$ -
SOCOM	\$ 144.6	\$ -	\$ -	\$ 144.6
TMA	\$ 830.9	\$ -	\$ -	\$ 830.9
USUHS	\$ 731.0	\$ -	\$ -	\$ 731.0
WHS	\$ 2,565.1	\$ 267.0	\$ -	\$ 2,832.1
* Overall	\$ 377,998.3	\$ 104,755.4	\$ 143,623.6	\$ 626,377.3

* Numbers may not add due to rounding

Appendix C – Obligations & Disbursements Defense-Wide Agency Breakout

B. FY 2012 Expenditures Made from the Fund in FY 2012

Figure B -- FY 2012 DAWDF Expenditures by Component**

<i>In \$000s</i>	FY 2011/2013 Funds Disbursed in FY 2012	FY 2012/2012 Funds Disbursed in 2012	FY 2012/2014 Funds Disbursed in FY 2012	All Disbursements Total FY 2012
Army	\$ 48,485.5	\$ 18,652.8	\$ 15,201.7	\$ 82,340.0
Navy	\$ 64,481.8	\$ 20,901.6	\$ 10,626.1	\$ 96,009.4
Air Force	\$ 65,904.0	\$ 19,173.4	\$ 22,743.2	\$ 107,820.7
DCMA	\$ 23,710.5	\$ 5,332.0	\$ 7,978.0	\$ 37,020.4
DCAA	\$ 61,040.0	\$ 21,226.7	\$ 18,873.0	\$ 101,139.7
DAU	\$ 36,904.4	\$ 7,568.0	\$ 10,614.0	\$ 55,086.4
AT&L	\$ 131.6	\$ -	\$ -	\$ 131.6
DARPA	\$ 10.0	\$ -	\$ -	\$ 10.0
DeCA	\$ 711.5	\$ -	\$ -	\$ 711.5
DFAS	\$ 394.7	\$ -	\$ -	\$ 394.7
DIA	\$ 1,659.1	\$ -	\$ -	\$ 1,659.1
DISA	\$ 1,706.2	\$ 69.0	\$ -	\$ 1,775.1
DLA	\$ 2,883.3	\$ 367.6	\$ -	\$ 3,250.9
DMEA	\$ 1,780.4	\$ -	\$ -	\$ 1,780.4
DoDEA	\$ 1,568.0	\$ 258.0	\$ 67.7	\$ 1,893.7
DSS	\$ 293.9	\$ -	\$ -	\$ 293.9
DTRA	\$ 4,098.1	\$ -	\$ -	\$ 4,098.1
HCI	\$ 30.0	\$ -	\$ -	\$ 30.0
MDA	\$ 6,568.2	\$ 1,917.2	\$ -	\$ 8,485.5
NGA	\$ 5,230.1	\$ 600.0	\$ -	\$ 5,830.1
NSA	\$ 5,786.0	\$ 1,536.0	\$ -	\$ 7,322.0
SOCOM	\$ 60.5	\$ -	\$ -	\$ 60.5
TMA	\$ 830.9	\$ -	\$ -	\$ 830.9
USUHS	\$ 606.2	\$ -	\$ -	\$ 606.2
WHS	\$ 2,331.8	\$ 201.4	\$ -	\$ 2,533.2
* Overall	\$ 337,206.8	\$ 97,803.7	\$ 86,103.8	\$ 521,114.3

* Numbers may not add due to rounding

** Disbursement actions subject to normal reconciliation processes between treasury and department/agency accounting records