DEFENSE ACQUISITION WORKFORCE

DOD Has Opportunities to Further Enhance Use and Management of Development Fund

Accessible Version
March 2017

DEFENSE ACQUISITION WORKFORCE

DOD Has Opportunities to Further Enhance Use and Management of Development Fund

What GAO Found

The Department of Defense (DOD), enabled by congressional action, has improved the timeliness of the funding process for the Defense Acquisition Workforce Development Fund (DAWDF). For fiscal year 2015, DOD was authorized to transfer expired funds, which allowed it to fund DAWDF in 2 months. In contrast, for fiscal year 2014, DOD relied on the military departments and other defense agencies (referred to as components) to remit funds to the DOD Comptroller, which took 24 months to complete. As a result, hiring, training, and other initiatives were delayed. Congress also took action in 2016 to reduce the amount of funding carried over from year to year, which totaled $875 million at the beginning of fiscal year 2016, or nearly twice the amount DOD eventually obligated for that year (see figure). GAO estimates that the amount of carryover funds at the beginning of fiscal year 2018 will be reduced to about $156 million.

Defense Acquisition Workforce Development Fund (DAWDF) Funding Carried Over from Year to Year Is Expected to Decrease Significantly by Fiscal Year 2018

Dollars (in millions)

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</tr>
</thead>
<tbody>
<tr>
<td>Obligations</td>
<td>800</td>
<td>600</td>
<td>400</td>
<td>300</td>
<td>200</td>
<td>100</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Projected obligations</td>
<td>900</td>
<td>700</td>
<td>500</td>
<td>400</td>
<td>300</td>
<td>200</td>
<td>100</td>
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<tr>
<td>Beginning of year carryover balance</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Projected beginning of year carryover balance</td>
<td>900</td>
<td>700</td>
<td>500</td>
<td>400</td>
<td>300</td>
<td>200</td>
<td>100</td>
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Sources: GAO presentation of data from the Department of Defense’s Human Capital Initiatives as of January 2017 and GAO analysis. | GAO-17-332

In the past year, DOD has taken several actions to improve its management and oversight of DAWDF, including issuing an updated acquisition workforce strategic plan and DAWDF operating guidance. For example, DOD’s August 2016 DAWDF guidance required components to submit annual and 5-year spending plans and formalized the requirement to hold a midyear review to assess DAWDF execution and discuss best practices. However, GAO found that DOD components identified more than $3 billion in potential DAWDF funding requirements for fiscal years 2018 through 2022, which may exceed available funding over this period. Clearly aligning DAWDF funding with DOD’s strategic plan—as GAO recommended in June 2012—may help DOD determine how to prioritize these requirements. GAO also found that components’ guidance, practices, and views on whether they could use DAWDF to pay for personnel to manage the fund varied. Further, GAO found components did not have processes to verify the accuracy and completeness of data reported on DAWDF-funded initiatives. Internal control standards indicate that consistent policies and accurate data can help ensure that funds are used effectively and as intended. Without such controls, DOD could be missing opportunities to use DAWDF more effectively to improve its acquisition workforce.

What GAO Recommends

DOD should (1) clarify whether DAWDF funds could be used to pay for personnel to help manage the fund and (2) ensure that DOD components have processes in place to verify the accuracy and completeness of DAWDF data. DOD partially concurred with both recommendations, and has taken or plans to take actions to address them.

Why GAO Did This Study

Congress established DAWDF in 2008 to provide DOD with a dedicated source of funding to help recruit and train members of the acquisition workforce. Since 2008, DOD has obligated more than $3.5 billion to meet those objectives. However, in 2012, GAO reported that DOD’s ability to execute hiring and other initiatives had been hindered by delays in the DAWDF funding process, resulting in a large amount of unused funds being carried over from year to year.

GAO was asked to review DOD’s management of DAWDF. This report examines (1) the process DOD uses to fund DAWDF and (2) DOD’s DAWDF management and oversight. GAO analyzed relevant legislation; DOD’s, the military departments’, and other defense agencies’ guidance and processes; and DAWDF budget and initiative execution data. GAO also interviewed DOD officials and conducted a nongeneralizable sample of 10 fiscal year 2015 DAWDF initiatives based on type of initiative and dollar value.

What GAO Recommends

DOD should (1) clarify whether DAWDF funds could be used to pay for personnel to help manage the fund and (2) ensure that DOD components have processes in place to verify the accuracy and completeness of DAWDF data. DOD partially concurred with both recommendations, and has taken or plans to take actions to address them.

View GAO-17-332. For more information, contact Timothy J. DiNapoli at (202) 512-4841 or dinapolit@gao.gov.
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Table 7: Number of Recipients of Student Loan Repayments and Tuition Assistance That GAO Reviewed

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Figure 2: Time to Complete Funding Process for Defense Acquisition Workforce Development Fund in Fiscal Years 2014 and 2015

Figure 3: Defense Acquisition Workforce Development Fund (DAWDF) Obligations Compared to Approved DAWDF Initiatives, Fiscal Years 2011 through 2016

Figure 4: Defense Acquisition Workforce Development Fund (DAWDF) Obligations and Beginning of Year Carryover Balance, Fiscal Years 2011 through 2018

Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Definition</th>
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<tbody>
<tr>
<td>DACM</td>
<td>Director, Acquisition Career Management</td>
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<tr>
<td>DAWDF</td>
<td>Defense Acquisition Workforce Development Fund</td>
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</table>
March 28, 2017

The Honorable Mac Thornberry
Chairman
Committee on Armed Services
House of Representatives

Dear Mr. Chairman:

In 2008, Congress established the Department of Defense Acquisition Workforce Development Fund (DAWDF) to provide a dedicated source of funding to recruit, train, and retain members of the Department of Defense’s (DOD) acquisition workforce. The purpose of DAWDF is to ensure that the DOD acquisition workforce has the capacity, in both personnel and skills, to (1) 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. So far, about $4.5 billion has been deposited into the DAWDF account for these purposes. Of this amount, DOD has obligated more than $3.5 billion as of September 2016.

Congress has expressed concern about the amount of unobligated balances in the DAWDF account that have been carried over from one fiscal year to the next (referred to as carryover). Given the continued level of carryover funds that DOD reported to Congress—$875 million at the beginning of fiscal year 2016—you asked us to review DOD’s execution of DAWDF. This report examines (1) the process DOD uses to fund DAWDF and (2) DOD’s management and oversight of DAWDF initiatives.

To examine the process DOD uses to fund DAWDF, we reviewed relevant legislation and DOD-wide and military department–level guidance on the use of DAWDF. We analyzed DOD reports that identified how the funds were used and the amount of carryover and estimated carryover funds from fiscal years 2008 through 2018. We also assessed whether DOD had improved the timeliness of its funding process by comparing data on key points in the funding process, including when the DOD Comptroller deposited funds into the DAWDF account, and

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analyzed documentation showing when the funds were allotted and obligated from fiscal years 2008 through 2016.

To assess DOD’s management and oversight of DAWDF initiatives, we reviewed the Department of Defense Acquisition Workforce Strategic Plan, FY 2016 – FY 2021, which was completed in October 2016, and DOD’s August 2016 DAWDF Desk Operating Guide. We also analyzed DAWDF future spending estimates from fiscal year 2017 through fiscal year 2022 submitted by each of the military departments and other defense agencies (collectively referred to in this report as components). In addition, we analyzed monthly DAWDF spend reports, DAWDF midyear review documentation, briefing materials from DAWDF governance meetings, and DOD’s fiscal year 2015 report to Congress. We discuss instances of incomplete and inaccurate data where appropriate in the report. Finally, we reviewed a nongeneralizable sample of 10 fiscal year 2015 DAWDF-funded initiatives, which were selected based on DOD component, type of initiative, and dollar value. To verify whether military department recipients of DAWDF-funded tuition assistance and student loan repayment programs were members of the defense acquisition workforce the year they received the benefit, we selected a nongeneralizable sample of 276 recipients across the military departments for fiscal year 2015. We compared the sample against DOD’s acquisition workforce database and determined that the data were sufficiently reliable for the purposes of this report.

For both objectives, we interviewed knowledgeable officials from the Office of the Under Secretary of Defense (Comptroller) and Chief Financial Officer; the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics - Human Capital Initiatives (HCI); and four DOD components—the Army, the Air Force, the Navy, and the Defense Logistics Agency—that receive DAWDF funding. Together, these four DOD components constitute 88 percent of DOD’s fiscal year 2015 acquisition workforce and received a majority of fiscal year 2015 DAWDF funding. See appendix I for more information about our overall scope and methodology.

We conducted this performance audit from March 2016 to March 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.
Background

DOD’s acquisition mission represents the largest buying enterprise in the world. The defense acquisition workforce—which consists of military and civilian program managers, contracting officers, engineers, logisticians, and cost estimators, among others—is responsible for effectively awarding and administering contracts totaling more than $250 billion annually. The contracts may be for major weapon systems, support for military bases, consulting services, and commercial items, among other things. A skilled acquisition workforce is vital to maintaining military readiness, increasing the department’s buying power, and achieving substantial long-term savings through systems engineering and contracting activities.

DOD’s acquisition workforce experienced significant cuts during the 1990s following the end of the Cold War and, by the early 2000s, began relying more heavily on contractors to perform many acquisition support functions. DOD reported that from 1998 through 2008, the number of military and civilian personnel performing acquisition activities decreased 14 percent from about 146,000 to about 126,000 personnel. Amid concerns about the growing reliance on contractors and skill gaps within the military and civilian acquisition workforce, in April 2009, the Secretary of Defense announced his intention to rebalance the workforce mix to ensure that the federal government has sufficient personnel to oversee its acquisition process. To support that objective, DOD’s April 2010 strategic workforce plan stated that DOD would add 20,000 military and civilian personnel to its workforce by fiscal year 2015.

Further, in 2008, Congress created DAWDF, codified in section 1705 of title 10 of the U.S. Code, to provide DOD a dedicated source of funding for rebuilding capacity, improving quality, and rebalancing the workforce. Congress has specified in statute the level of DAWDF funding for a given fiscal year and has adjusted that level several times. For example, the National Defense Authorization Act for Fiscal Year 2010 specified $100 million for fiscal year 2010; $770 million for fiscal year 2011; $900 million

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for fiscal year 2012; $1.2 billion for fiscal year 2013; $1.3 billion for fiscal year 2014; and $1.5 billion for fiscal year 2015. In the National Defense Authorization Act for Fiscal Year 2013, Congress extended the requirement for DOD to fund DAWDF through 2018 and revised the funding levels to $500 million for fiscal year 2013; $800 million for fiscal year 2014; $700 million for fiscal year 2015; $600 million for fiscal year 2016; $500 million for fiscal year 2017; and $400 million for fiscal year 2018. Currently, the law mandates $500 million in DAWDF funding for a fiscal year. However, the law also authorizes the Secretary of Defense to reduce annual funding if the Secretary determines that the mandated amount is greater than what is reasonably needed for a fiscal year. The amount may not be reduced to less than $400 million for a fiscal year.\(^3\)

Section 1705 of title 10, U.S. Code, specifies three ways that DAWDF can be funded:

- Appropriations made for DAWDF. Appropriations were made for the fund in fiscal years 2010 through 2015 and were available for obligation for 1 fiscal year—the fiscal year for which they were appropriated.

- Credits, or funds that are remitted by DOD components from operation and maintenance accounts.\(^4\) Funds credited to the account are available for obligation in the fiscal year for which they are credited and in the 2 succeeding fiscal years.

- Transfers of expired funds. During the 3-year period following the expiration of appropriations to DOD for research, development, test and evaluation; procurement; or operation and maintenance, DOD may transfer such funds to DAWDF to the extent provided in appropriations acts. To date, Congress has granted authority for DOD to transfer operation and maintenance funds included in the appropriations acts for fiscal years 2014, 2015, and 2016 to DAWDF.\(^5\)

\(^3\) 10 U.S.C. § 1705(d)(2).

\(^4\) The statutory requirement mandates that each component remit to DAWDF, not later than 30 days after the end of the first quarter of each fiscal year, operation and maintenance funds in an amount equal to a percentage of the amount expended by such component during such fiscal year for contract services. 10 U.S.C. § 1705(d)(2).

Funds transferred to DAWDF are available for obligation in the fiscal year for which they are transferred and in the 2 succeeding fiscal years.

Under current law, DOD is required to credit the fund $500 million for a fiscal year, as previously mentioned. However, the law directs that the amount required to be remitted by DOD components be reduced by any amounts appropriated for or transferred to DAWDF for that fiscal year. Collectively, from fiscal years 2008 through 2016, about $4.5 billion has been deposited into DAWDF using various combinations of these processes (see table 1).

Table 1: Amount Credited to the Defense Acquisition Workforce Development Fund (DAWDF) Balances by Funding Process (Dollars in millions)

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Appropriations for DAWDF</th>
<th>Credits&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Transfers&lt;sup&gt;b&lt;/sup&gt;</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>NA</td>
<td>255</td>
<td>NA</td>
<td>255</td>
</tr>
<tr>
<td>2009</td>
<td>NA</td>
<td>702</td>
<td>NA</td>
<td>702</td>
</tr>
<tr>
<td>2010</td>
<td>100</td>
<td>NA</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>2011</td>
<td>209</td>
<td>400</td>
<td>NA</td>
<td>609</td>
</tr>
<tr>
<td>2012</td>
<td>106</td>
<td>615</td>
<td>NA</td>
<td>720</td>
</tr>
<tr>
<td>2013</td>
<td>49</td>
<td>354</td>
<td>NA</td>
<td>403</td>
</tr>
<tr>
<td>2014</td>
<td>51</td>
<td>589</td>
<td>NA</td>
<td>640</td>
</tr>
<tr>
<td>2015</td>
<td>79</td>
<td>NA</td>
<td>477</td>
<td>556</td>
</tr>
<tr>
<td>2016</td>
<td>NA</td>
<td>NA</td>
<td>500&lt;sup&gt;c&lt;/sup&gt;</td>
<td>500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>594</strong></td>
<td><strong>2,915</strong></td>
<td><strong>977</strong></td>
<td><strong>4,485</strong></td>
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Source: GAO presentation of Department of Defense (DOD) data from annual DAWDF report to Congress and documentation from the Under Secretary of Defense (Comptroller) and Chief Financial Officer as of January 2017. | GAO-17-332

Note: Numbers may not sum to totals because of rounding.

<sup>a</sup>Credits are funds remitted by DOD components to DAWDF.

<sup>b</sup>Transfers are expired funds that DOD is permitted by statute to transfer to DAWDF.

<sup>c</sup>In July 2016, DOD transferred $400 million into DAWDF. In January 2017, the Under Secretary of Defense (Comptroller) and Chief Financial Officer transferred an additional $100 million into DAWDF for fiscal year 2016.

From fiscal years 2008 through 2016, DOD obligated about $2.2 billion—or about 60 percent—for recruiting and hiring and about $1.2 billion—32 percent—for training and development. The remaining $269 million, or 7 percent, was used for retention and recognition. To help support rebuilding the workforce, DOD obligated the most funds for recruiting and

hiring through fiscal year 2015; however, in fiscal year 2016, DOD obligated slightly more for training and development than for recruiting and hiring (see fig. 1).

Figure 1: Defense Acquisition Workforce Development Fund Obligations in Three Major Categories, Fiscal Years 2008 through 2016

<table>
<thead>
<tr>
<th>Obligations (dollars in millions)</th>
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<tbody>
<tr>
<td>500</td>
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<tr>
<td>450</td>
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<td>50</td>
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<tr>
<td>50</td>
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</tbody>
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Source: GAO presentation of Department of Defense data from annual Defense Acquisition Workforce Development Fund report to Congress and data from the Department of Defense’s Human Capital Initiatives as of November 2016. | GAO-17-332

Note: The Department of Defense obligated $17 million for training in fiscal year 2008.

Organizations Responsible for DAWDF

Several organizations within DOD play key roles in the management and oversight of DAWDF (see table 2).

Table 2: Roles and Responsibilities of Key Department of Defense (DOD) Organizations Involved in Defense Acquisition Workforce Development Fund (DAWDF) Management

<table>
<thead>
<tr>
<th>Office</th>
<th>Selected DAWDF responsibilities</th>
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<tbody>
<tr>
<td>Under Secretary of Defense (Comptroller)</td>
<td>• Ensures that DAWDF funding amounts, determined by the Secretary of Defense, are appropriately credited to the DAWDF account</td>
</tr>
<tr>
<td>and Chief Financial Officer</td>
<td>• Provides support for the administration of DAWDF</td>
</tr>
<tr>
<td>Office</td>
<td>Selected DAWDF responsibilities</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Office of the Under Secretary of Defense for Acquisition, Technology and Logistics - Human Capital Initiatives (HCI) | - Serves as the program manager for DAWDF  
- Responsible for DAWDF policies and guidance  
- Responsible for DAWDF current and future years budget development and execution  
- Reviews and approves components’ annual DAWDF requirements  
- Ensures that all requirements are aligned with DOD’s Strategic Plan |
| Director, Acquisition Career Management (DACM) office for each military department and other defense agencies | - Serves as program manager for the component’s DAWDF program  
- Reviews DAWDF proposals and initiatives and ensures that they are aligned with strategic goals and acquisition executive priorities  
- Reports status of DAWDF funds monthly to HCI  
- Compiles and provides annual and future DAWDF requirements and spending plans and a projected annual and future hiring plan  
- Serves as the key advisor for policy, coordination, implementation, and oversight of acquisition workforce programs within the component |
| Acquisition commands within each military department and other defense agencies | - Identify DAWDF funding proposals and submit them to either the cognizant DACM, or in the case of some defense agencies, directly to HCI for approval  
- Implement DAWDF initiatives |

Sources: GAO analysis of DOD information and GAO-16-80, GAO-17-332

DOD’s acquisition workforce management framework includes centralized policy, decentralized execution by the DOD components, and joint governance forums. DOD established the Senior Steering Board and the Workforce Management Group in 2008 to oversee DAWDF activities. The senior acquisition executives for the military departments, DOD functional acquisition career field leaders, and heads of major DOD agencies were designated as members of the Senior Steering Board, along with representatives from the Office of the Under Secretary of Defense (Comptroller) and Chief Financial Officer and the Office of the Under Secretary of Defense for Personnel and Readiness. This board is expected to meet quarterly and provide strategic oversight of DAWDF. The Workforce Management Group includes representatives from the offices on the Senior Steering Board, among others. It is expected to meet bimonthly and oversee DAWDF operations and management (see table 3).
Table 3: Defense Acquisition Workforce Oversight Boards

<table>
<thead>
<tr>
<th>Board</th>
<th>Members</th>
<th>Board responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Steering Board</td>
<td>Chaired by the Under Secretary of Defense for Acquisition, Technology and Logistics</td>
<td>Governs and oversees the Defense Acquisition Workforce Development Fund (DAWDF)</td>
</tr>
<tr>
<td></td>
<td>The Director of Human Capital Initiatives is the Executive Secretary</td>
<td>Aligns DAWDF with DOD’s Civilian Human Capital Strategic Plan and related initiatives</td>
</tr>
<tr>
<td></td>
<td>Members include senior leaders for acquisition within the Department of Defense (DOD) components, the functional leaders, and others, as appropriate</td>
<td>Allots DAWDF funds to components for execution of approved initiatives, based on recommendations of the Workforce Management Group</td>
</tr>
<tr>
<td>Workforce Management Group</td>
<td>Chaired by the Director of Human Capital Initiatives</td>
<td>Advises the Senior Steering Board regarding management and use of DAWDF, including alignment with strategic objectives and guidance</td>
</tr>
<tr>
<td></td>
<td>Members include the principal representatives of the Senior Steering Board</td>
<td>Oversees DAWDF initiatives and execution plans, and ensures that these support statutory intent and strategic objectives</td>
</tr>
<tr>
<td></td>
<td>The Comptroller and Under Secretary of Defense for Personnel and Readiness are invited to attend</td>
<td>Assists DOD leadership and components with annual update to Congress on the acquisition workforce</td>
</tr>
</tbody>
</table>

Source: GAO presentation of DOD data. I GA0-17-332

Prior GAO Work

In June 2012, we reported on DOD’s initial implementation of DAWDF; we found that the ability of DOD components to effectively plan for and execute efforts supported by DAWDF was hindered by delays in DOD’s DAWDF funding processes and the absence of clear guidance on the availability and use of funds. We also found that HCI and Comptroller officials had differing views on how best to manage the DAWDF funding process. Comptroller officials acknowledged that they delayed sending out credit remittance notices and allowed components to delay crediting DAWDF funds. At that time, we recommended that DOD revise its DAWDF guidance to clarify when and how DAWDF funds should be collected, distributed, and used. We also recommended that DOD clearly align DAWDF’s funding strategy with the department’s strategic human capital plan for the acquisition workforce. DOD concurred with these recommendations. In October 2016, DOD completed an updated acquisition workforce strategic plan. We discuss our assessment of the

extent to which DOD has taken action to address these recommendations later in this report.

Further, we also recommended in June 2012 that DOD establish performance metrics for DAWDF to allow senior leadership to track how the fund is being used to support DOD’s acquisition workforce improvement goals. DOD concurred and subsequently established four metrics to track the defense acquisition workforce: (1) the size of the acquisition workforce, (2) the shape of the acquisition workforce, (3) defense acquisition workforce improvement act certification rates, and (4) the education level of acquisition workforce personnel. In its October 2016 acquisition workforce strategic plan, DOD reported that the cumulative efforts of the DOD components from fiscal year 2008 through fiscal year 2015 increased the size of the acquisition workforce by 24 percent, from about 126,000 to 156,000 personnel. The department accomplished this by hiring additional personnel, converting contractor positions to civilian positions, adding military personnel to the acquisition workforce, and administratively recoding existing personnel.\(^8\) DAWDF contributed to this success by helping to increase the size of the acquisition workforce and achieve a better balance of early-, mid-, and senior-career personnel. DOD reported that more than 96 percent of the acquisition workforce either met or was on track to meet certification requirements within required time frames. DOD also reported that the number of personnel with bachelor’s degrees or higher increased from 77 percent in fiscal year 2008 to 84 percent in fiscal year 2015, while those with graduate degrees increased from 29 percent to 39 percent over the same time period. These changes were accomplished during a period of budget uncertainties and sequestration, during which time DOD imposed hiring freezes and curtailed travel, training, and conferences, among other actions.\(^9\)

In December 2015, we reported that DOD had accomplished some of its goals in rebuilding the acquisition workforce and used DAWDF to help in

\(^8\)Recoding existing personnel does not result in an increase in DOD’s workforce capacity because personnel continued to perform the same duties.

these efforts.\textsuperscript{10} While DOD increased the size of its acquisition workforce, we found that it had not reached its targets for 6 of 13 acquisition career fields, including those for 3 priority fields—contracting, engineering, and business. To ensure that DOD has the right people with the right skills to meet future needs, we recommended that DOD complete competency assessments, issue an updated acquisition workforce strategic plan, and issue guidance on prioritizing the use of funding. DOD concurred with our recommendations. We discuss DOD’s efforts to address these recommendations later in this report.

\section*{Congressional Actions Have Enabled DOD to Overcome Previous DAWDF Funding Challenges}

DOD, enabled by recent congressional action, has improved its ability to fund DAWDF, which allowed DOD to fund DAWDF in 2 months, compared to the 24 months the credit funding process took in fiscal year 2014. Specifically, in the DOD Appropriations Act for Fiscal Year 2014, Congress authorized DOD to transfer operation and maintenance funds appropriated by the act to DAWDF consistent with section 1705 of title 10 of the U.S. Code, which permits DOD to transfer expired funds for 3 years following their expiration.\textsuperscript{11} The operation and maintenance funds appropriated under the act expired at the end of fiscal year 2014, so the transfer authority authorized by Congress and section 1705 of title 10 gives DOD the authority to transfer expired fiscal year 2014 funds to DAWDF in fiscal years 2015 through 2017. Congress subsequently enacted such transfer authority for both fiscal years 2015 and 2016.\textsuperscript{12} As a result, DOD is authorized to fund DAWDF by transferring expired fiscal year 2015 funds through fiscal year 2018 and expired fiscal year 2016 funds through fiscal year 2019.


Enabled by this authority, the DOD Comptroller funded DAWDF with $477 million of expired funds in one transaction for fiscal year 2015 and $400 million of expired funds in one transaction for fiscal year 2016.\textsuperscript{13} The DOD Comptroller then allotted those funds to HCI in a single transaction for each of those fiscal years. Our analysis found that it took 2 months from the time that DOD submitted its written determination of the amount of DAWDF funding required for fiscal year 2015, from June 23, 2015, to when the DOD Comptroller transferred the funds into the DAWDF account on August 24, 2015. HCI officials said that as a result of the ability to transfer expired funds, they were able to distribute, or sub-allot, to components 75 percent of their approved fiscal year 2016 funding before the start of the fiscal year.

In contrast, DOD often experienced delays in its previous funding process. Prior to 2015, DOD primarily relied on credits remitted by the DOD components to meet DAWDF funding requirements. To complete this process, the Comptroller calculated each component’s share of the required credit based on the amount specified in the law, offset by the amount of any annual appropriations made for DAWDF. The Comptroller then sent a notice to each component specifying the amount of the credit it was to remit by a specific date. After the components remitted the funds, the Comptroller allotted those funds to HCI, which in turn sub-allotted DAWDF funds to the components based on their approved plans for that year.

When DAWDF was first enacted, credits were to be remitted to the fund not later than 30 days after the end of each fiscal quarter. In 2009, Congress amended the DAWDF legislation to require DOD components to remit credit funding not later than 30 days after the end of the first quarter of each fiscal year.\textsuperscript{14} However, our analysis found that under the credit funding process, the DOD Comptroller delayed sending out credit remittance notices and allowed components to delay remitting funds to DAWDF. In 2012, Comptroller officials said that they generally did not begin the process of collecting and distributing DAWDF funds before

\textsuperscript{13}DOD funded DAWDF in the last quarter of the fiscal year for both fiscal years 2015 and 2016 because there were sufficient carryover funds to cover initiatives planned for those 2 years and the first quarters of fiscal years 2016 and 2017. At the end of fiscal year 2016, for example, there was $435 million in carryover, or 75 percent of fiscal year 2017 requirements.

DOD received its annual appropriations to minimize the amount of credit funding collected from other DOD programs and that the funds should not be collected until necessary for DAWDF. These officials noted that this was particularly important during a continuing resolution period where DOD’s funding is often limited to the prior year’s appropriation level or less, which puts additional stress on other programs required to contribute funds to DAWDF. As a result, DOD components did not complete remitting credit funds within the time frames required by DOD for any year that the credit funding process was used.

For example, the notice for fiscal year 2013 was sent in June 2013 and required components to remit credits by October 2013. However, the remittance process was not completed until September 2014, or 11 months past the required deadline. Similarly, for fiscal year 2014, the remittance process was not completed until May 2016, or 24 months after DOD submitted its written determination of the amount of DAWDF funding required for the fiscal year—the initiation of the funding process. Figure 2 compares the length of time between the initiation of the fiscal year 2014 funding process and the last credit remittance of DAWDF funding, to the fiscal year 2015 time frames for transferring expired funds.

Despite the improved timeliness of funding DAWDF by transferring expired funds, DOD experienced a significant increase in the amount of carryover funds by the beginning of fiscal year 2016. Specifically, the carryover balance increased from $129 million as of October 1, 2014, to $875 million as of October 1, 2015, or nearly twice the amount DOD
eventually obligated in fiscal year 2016. The growth in the amount of carryover was primarily due to the delay in the remittance of $509 million in funding for fiscal year 2014—or about 86 percent of the amount to be credited for that year—until 2015. As a result, about $869 million was deposited into HCI’s DAWDF account during fiscal year 2015, while components only obligated $358 million that year. Additional factors also contributed to the large carryover balance:

- According to HCI officials, DOD’s requirements were sometimes less than the minimum amount that DOD was required to put into DAWDF. For fiscal year 2014, for example, Congress mandated $800 million in DAWDF funding (which was reduced by the Secretary of Defense to $640 million, as permitted by the law), but the components only planned to obligate $498 million.

- HCI and component officials told us that delays in remittances and additional factors, such as hiring freezes, affected DAWDF execution for several years. Despite having $129 million in carryover funds, HCI instructed DOD components to delay execution of hiring and other planned fiscal year 2015 initiatives. HCI officials told us that because of the uncertainty of when the fiscal year 2014 credits would be remitted, they had to ensure that they had sufficient funds to pay the salaries of the personnel who had been hired in the previous 2 years using DAWDF funds. In addition, DOD components did not always obligate all of their DAWDF funding for each fiscal year. For example, for fiscal year 2015, the Defense Contract Management Agency requested $84.4 million in funding for hiring, training, and retention initiatives and was only able to obligate $61.9 million in that year. Similarly, in fiscal year 2015, the Air Force Materiel Command planned to spend $5.7 million in DAWDF funding for recruiting incentives. However, Air Force officials told us that because of delays in the remittance of fiscal year 2014 funds from the components, the Air Force was instructed to delay its hiring plans, which in turn affected the number of personnel available to accept the recruiting incentives offered. Of the $5.7 million approved for recruiting incentives that fiscal year, the command was only able to obligate $1.3 million. Overall, from fiscal years 2011 through 2016, DOD components obligated between 68 and 92 percent of the amount that HCI approved them to spend (see fig. 3).
Congress acted to reduce the carryover balance in the National Defense Authorization Act for Fiscal Year 2017. The act requires, during fiscal year 2017, DOD to transfer $475 million to the Treasury from amounts available from credits to DAWDF. The act also requires DOD to transfer $225 million of the funds required to be credited to DAWDF in fiscal year 2017 to the Rapid Prototyping Fund.\(^\text{15}\) When coupled with DOD’s fiscal year 2017 spending and funding plans, we estimate that these actions will result in a carryover balance of about $156 million at the beginning of fiscal year 2018 in the DAWDF account, or about 26 percent of DOD’s estimated fiscal year 2018 spending (see fig. 4).\(^\text{16}\)


\(^{16}\)Our estimate is based on DOD components’ plans to spend a total of $579 million on DAWDF initiatives in fiscal year 2017, which were approved by HCI in September 2016, and the fact that DOD funded DAWDF at the mandated amount of $500 million for fiscal year 2017.
With the transfer authority enacted by Congress in the DOD Appropriations Act for Fiscal Year 2016, and section 1705 of title 10, DOD is authorized, for example, to transfer operation and maintenance funds appropriated in fiscal year 2016, which expired on September 30, 2016, into DAWDF in fiscal years 2017, 2018, and 2019.\textsuperscript{17} If this transfer authority is not renewed to enable DOD to transfer expired funds beyond 2019, DOD stated that it will be required to revert back to the credit funding process that it had previously used. As of January 2017, there have been no changes to the guidance or any agreement between HCI

and the Comptroller to address the issues we raised in our 2012 report about how to resolve the credit funding delays. During our current review, a Comptroller official reiterated that credit funding came at the expense of programs and activities that had been included in the President’s budget submission. We are not making new recommendations to address the funding process and continue to believe that DOD needs to implement the recommendation we made in 2012. Those actions, and the ability to transfer expired funds through fiscal year 2019, will provide DOD the time it needs to assess options, if necessary, to improve the credit funding processes.

DOD Has Taken Some Steps to Improve Management and Oversight of the Fund, but Opportunities Exist to Improve Guidance and Data Quality

DOD has taken several actions to improve management and oversight processes for DAWDF over the past year, including issuing an updated acquisition workforce strategic plan and DAWDF operating guidance. DOD’s August 2016 DAWDF guidance required components to submit annual and 5-year spending plans and formalized the requirement to hold a midyear review to assess DAWDF execution and discuss best practices. However, additional opportunities exist to better align DOD’s strategic plan and DAWDF spending plans, improve consistency in how components are using the fund to pay for personnel to help manage the fund, and improve the quality of data on how the fund is being used. Specifically, DOD’s October 2016 strategic plan indicates that the department intends to shift its emphasis from rebuilding the workforce to improving its capabilities. DOD’s plan established four goals and related strategic priorities that it intends to use DAWDF to help support. The October 2016 strategic plan, however, does not identify time frames, metrics, or projected budgetary requirements associated with these goals and strategic priorities or clearly prioritize DAWDF funding toward achieving them.

DOD components identified more than $3 billion in potential DAWDF funding requirements for fiscal years 2018 through 2022, which is expected to exceed available funding by $500 million over this period. Component policies and practices differ on the use of the fund to pay the salaries of staff members who help manage DAWDF and execute
DAWDF initiatives. Further, component data we reviewed that were provided to HCI for inclusion in DOD’s DAWDF annual report to Congress and monthly oversight of the fund did not always accurately reflect the results of DAWDF-funded initiatives, which DOD officials attributed to resource constraints and the absence of processes to verify the data collected.

DOD Issued a New Strategic Plan That Focusses on Developing the Current Workforce but Lacks Time Frames and Metrics

In his June 2016 memorandum, the Under Secretary of Defense for Acquisition, Technology and Logistics stated that DOD intends to sustain the acquisition workforce size and continue to improve its professionalism. Similarly, DOD’s October 2016 acquisition workforce strategic plan for fiscal years 2016 through 2021 stated that DOD must sustain the acquisition workforce size, factoring in workload demand and requirements; ensure that its personnel continue to increase their professionalism; and continue to expand talent management programs to include recruitment, hiring, training, development, recognition, and retention incentives by using DAWDF and other appropriate tools. To accomplish this, the strategic plan identified four broad goals—making DOD an employer of choice; shaping the acquisition workforce; improving the quality and professionalism of the acquisition workforce; and improving workforce policies, programs, and processes—and related strategic priorities (see table 4).

<table>
<thead>
<tr>
<th>Goal</th>
<th>Strategic priorities</th>
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<tbody>
<tr>
<td>Make DOD an employer of choice.</td>
<td>Leverage workforce analytics and DAWDF to improve use of incentives.</td>
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<tr>
<td></td>
<td>Establish metrics to assess the return on investment for developmental programs.</td>
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<td></td>
<td>Target incentives to mitigate workforce risk to acceptable levels and identify high-priority gaps.</td>
</tr>
<tr>
<td>Shape the acquisition workforce to achieve current and future</td>
<td>Leverage DAWDF to offer retention incentives when required to transfer knowledge and</td>
</tr>
<tr>
<td>acquisition requirements.</td>
<td>experience.</td>
</tr>
<tr>
<td></td>
<td>Assess workforce requirements and identify capability gaps based upon mission</td>
</tr>
<tr>
<td>Improve the quality and professionalism of the acquisition</td>
<td>Increase the number of acquisition workforce members with degrees.</td>
</tr>
<tr>
<td>workforce</td>
<td>Enhance opportunities for attaining educational goals through tuition reimbursement programs and other incentives.</td>
</tr>
<tr>
<td></td>
<td>Attain a fully certified workforce and provide the acquisition workforce with the world-class training that DOD needs to meet the demands of an increasingly complex environment.</td>
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Continuously improve workforce policies, programs, and processes.

Establish consistent management and utilization of DAWDF funding across the department over the next 5 years, including the following steps:

- Establish a DAWDF operating guide, including standardized policy and procedures.
- Streamline DAWDF line items for improved accountability.
- Ensure that DAWDF funding is leveraged to resource changing acquisition workforce requirements.
- Target DAWDF funding to manage risk in the recruiting, training, and retention of acquisition workforce personnel.

Source: GAO presentation of information from the Department of Defense Acquisition Workforce Strategic Plan for Fiscal Years 2016-2021, October 2016.

In 2012, we recommended that DOD clearly align DAWDF’s funding strategy with the department’s strategic human capital plan for the acquisition workforce. DOD concurred and stated that the department would continue to improve alignment of a revised funding strategy so that it supports successful execution of the workforce initiatives. However, while DOD’s October 2016 strategic plan provides an overall framework for the acquisition workforce and broadly indicates how DAWDF will be used to support these efforts, it does not identify time frames, metrics, or projected budgetary requirements associated with these goals or strategic priorities. As a part of our work on leading practices in strategic workforce planning, we have shown that determining the critical skills and competencies that agencies’ workforces need to achieve current and future agency goals and missions and identify gaps, including those that training and development strategies can help address, and developing customized strategies to recruit for highly specialized and hard-to-fill positions would be beneficial to strategic workforce planning. Because the new strategic plan does not provide a clear link between its goals for the acquisition workforce and how DAWDF funds should be used, it is unclear how the department is ensuring that DAWDF targets its most critical workforce needs. HCI and Director, Acquisition Career Management (DACM) officials noted that each military department has prepared or is preparing a workforce plan to help guide its efforts.

18 GAO-12-747R.


Further, in our December 2015 report, we recommended that DOD issue an updated workforce plan that included revised career field goals and that HCI issue guidance to the components to focus hiring on priority career fields. DOD agreed that additional guidance was essential to ensure that DOD had the right people with the right skills to meet future needs, but noted that determining which career fields were a priority was most appropriately determined by the components. DOD stated that it would work with the components to issue guidance that would best meet both enterprise and specific component workforce needs. In that regard, the October 2016 strategic plan reiterated the need to shape the acquisition workforce to achieve current and future acquisition requirements but did not establish specific targets for the acquisition workforce as a whole or targets for specific career fields. HCI officials noted that DOD’s objective is to sustain the current level of the acquisition workforce and understand the workload demand.

As part of its DAWDF planning process for fiscal year 2017, HCI requested data from the DACMs of each military department on their estimates for future DAWDF hiring through fiscal year 2022. Detailed breakouts by career field were not required. At the component level, we found a range of direction and data on future hiring efforts. For example:

- The Army’s fiscal year 2017 memorandum accompanying its call for DAWDF funding requests stated that commands should target hiring requests in the following areas: financial management, cost estimating, contracting, engineering, science and technology, and program management. The Army DACM office provided HCI an estimate of planned hires by career field for fiscal year 2017, which indicated that about 80 percent of the Army’s fiscal year 2017 DAWDF hires were planned for the contracting and engineering career fields.

- The Navy’s fiscal year 2017 guidance accompanying its call for DAWDF funding requests does not specify which acquisition career fields to target for hiring requests, but Navy DACM officials stated that they do obtain input from the commands regarding their acquisition workforce hiring needs. The Navy indicated that it plans to hire 255 entry-level personnel and an additional 100 in the next 5 years to address attrition in contracting and to hire engineers in new areas such as cybersecurity.

\(^{21}\text{GAO-16-80.}\)
• The Air Force’s March 2016 DAWDF guidance highlighted that DAWDF funds would be used to support the program management, contracting, and test and evaluation career fields, among others, but it does not specify critical career fields where DAWDF hiring should be focused. Air Force officials stated that their fiscal year 2017 DAWDF program guidance did not request hiring initiatives, but the Air Force made a separate call for hiring requirements as a part of an overarching Air Force program for force renewal, which would be augmented by DAWDF for acquisition hiring. This separate call did not specify the number of hires by career field.

DOD’s October 2016 acquisition workforce strategic plan noted that one of DOD’s goals was to shape the acquisition workforce to achieve current and future acquisition requirements. The absence of revised career field goals, coupled with the variation in the details provided by DOD components, underscores the importance of further management attention and guidance in this area, consistent with our December 2015 recommendation.

DOD Issued New Guidance to Improve DAWDF Management and Oversight, but Components Differed in Use of Fund for Management Support

DOD has taken a number of recent actions to mature its management and oversight of the fund, including issuing DAWDF operating guidance in August 2016 and initiating efforts to enhance long-range planning and improve component reporting requirements. HCI officials stated that until recently, HCI did not require DOD components to estimate requirements across the time period covered by the Future Years Defense Program, in part because DOD officials were uncertain whether DAWDF would be permanent.22 As such, HCI required components to focus their efforts on identifying initiatives that could be funded in the upcoming fiscal year. Further, HCI and DACM officials noted that because DAWDF was intended to supplement other sources of funding that may already be available, components often used the flexibility provided by DAWDF to address more short-term gaps and emerging needs for training and retention initiatives, which may not lend themselves to long-term strategic

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22The Future Years Defense Program is a 5-year funding plan that provides DOD and Congress a tool for looking at future funding needs beyond immediate budget priorities. The plan represents estimated appropriation needs for the budget year for which funds are being requested from Congress and at least the 4 years following it. 10 U.S.C. § 221.
planning. For example, in fiscal year 2015, the Defense Acquisition University, the Navy, and the Army each provided cybersecurity-related training using DAWDF, including master’s level college courses in cybersecurity and a Naval Postgraduate School cybersecurity certificate program.

In its August 2016 guidance, however, HCI directed each DACM to compile, among other things, annual and 5-year hiring and spending plans. According to this guidance, DOD components are to identify opportunities for using DAWDF and provide funding requests to their DACMs for review and approval. In turn, the guidance requires each DACM to ensure that DAWDF proposals are integrated and coordinated within each component. The timing of this process varies by component, but the acquisition commands we met with start this effort between February and April. HCI typically requests that the components submit upcoming fiscal year requests for review in July and meets with components in August so that plans can be approved by the end of the fiscal year in September. HCI and DACM officials stated that they are working to improve the planning process and to develop better estimates of DAWDF needs.

Overall, HCI approved $579 million in fiscal year 2017 DAWDF initiatives, an increase of 20 percent over the $482 million approved for DOD’s fiscal year 2016 initiatives. According to military department DACM officials, the increase includes plans to hire additional personnel in contracting, information technology, and test and evaluation. To execute its fiscal year 2017 initiatives, DOD expects to use both carryover funds and expired funds that will be available for obligation once they are transferred to DAWDF. Further, DOD components identified more than $3 billion in potential DAWDF funding requirements from fiscal years 2018 through 2022. As submitted, the components’ collective annual DAWDF funding requirements over this period ranged from $591 million in fiscal year 2018 to $628 million by fiscal year 2022 (see table 5).

HCI estimated that in fiscal year 2016 the amount of approved “out of cycle requests,” or funding for emerging needs, that was not approved as a part of the annual process to request DAWDF funds, was approximately $14.5 million, or about 3 percent of the approved fiscal year 2016 DAWDF initiatives.

The estimates were reported to HCI as a part of the fiscal year 2017 request for DAWDF funds by each component.
Table 5: Component Defense Acquisition Workforce Development Fund Budget Estimates, Fiscal Years 2017 through 2022 (Dollars in millions)

<table>
<thead>
<tr>
<th></th>
<th>Fiscal year 2017 approved Initiatives</th>
<th>Fiscal year 2018 estimate</th>
<th>Fiscal year 2019 estimate</th>
<th>Fiscal year 2020 estimate</th>
<th>Fiscal year 2021 estimate</th>
<th>Fiscal year 2022 estimate</th>
<th>Total</th>
<th>Percentage change from fiscal years 2017 through 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Force</td>
<td>88</td>
<td>105</td>
<td>107</td>
<td>110</td>
<td>113</td>
<td>116</td>
<td>639</td>
<td>+32</td>
</tr>
<tr>
<td>Army</td>
<td>96</td>
<td>96</td>
<td>99</td>
<td>97</td>
<td>96</td>
<td>95</td>
<td>579</td>
<td>-1</td>
</tr>
<tr>
<td>Navy</td>
<td>121</td>
<td>134</td>
<td>136</td>
<td>137</td>
<td>140</td>
<td>141</td>
<td>809</td>
<td>+17</td>
</tr>
<tr>
<td>Other defense components(^a)</td>
<td>274</td>
<td>256</td>
<td>262</td>
<td>267</td>
<td>272</td>
<td>276</td>
<td>1,607</td>
<td>+1</td>
</tr>
<tr>
<td>Total</td>
<td>579</td>
<td>591</td>
<td>604</td>
<td>611</td>
<td>621</td>
<td>628</td>
<td>3,634</td>
<td>+8</td>
</tr>
</tbody>
</table>

Source: GAO presentation of data provided by DOD’s Human Capital Initiatives as of November 2016. | GAO-17-332

\(^a\) In addition to the other defense components, the fiscal year 2017 spending plan includes funds for miscellaneous offices, programs, and other purposes.

Of the more than $3 billion in estimated funding requirements for fiscal years 2018 through 2022, DOD components reported that they planned to request about $1.2 billion—or about 41 percent—to hire more than 6,000 new acquisition personnel. Components also reported they plan to request about $1.4 billion—or about 46 percent—for training for the acquisition workforce, developing new talent, and targeting competency gaps, while another $258 million—or 8 percent—would be requested for retention and recognition.\(^{25}\) As reflected in Table 5, above, the components’ collective estimated annual DAWDF funding requirements exceed $500 million in each of fiscal years 2018 through 2022. HCI and the components will need to prioritize funding requests since estimated funding requirements may exceed available DAWDF funding over this period.\(^{26}\)

HCI, DACM, and acquisition command officials noted that providing management and oversight is complicated by differing views over whether DAWDF funds can be used to pay for management personnel.

\(^{25}\) The other 5 percent of DAWDF funding planned for fiscal years 2018 through 2022 was not specifically designated for hiring, training, or recruiting and retention.

\(^{26}\) According to DOD, $500 million is the most that can be put into DAWDF for a fiscal year under the law, including both credits and transfers. DAWDF may also have carryover funds available. The conference report accompanying the National Defense Authorization Act for Fiscal Year 2017 noted that the conferees believe that per section 1705 of title 10, U.S. Code, the amounts transferred into DAWDF from unobligated balances do not have a maximum limit each year.
For example, officials at the Naval Sea Systems Command—which has more than 18,000 acquisition workforce personnel—told us it has one full-time DOD civilian who is responsible for managing DAWDF and overseeing its initiatives. Command officials told us that they use their operation and maintenance budget to pay this DAWDF fund manager. We identified differences of opinion by HCI, DACM, and acquisition command officials on whether their offices could use DAWDF to help pay for personnel to manage the fund and under what circumstances. For example:

- HCI officials said that their office does not use DAWDF funding to pay for personnel to manage DAWDF. HCI’s August 2016 guidance indicates that DAWDF can be used to hire interns, entry-level personnel, journeymen, experts, and highly qualified experts assigned to an acquisition career field. The guidance prohibits using DAWDF to pay the base salary of any person who was a DOD acquisition workforce member as of January 28, 2008, and who has continued in the employment of the department since such time without a break in such employment of more than 1 year.

- The Air Force DACM approved the use of DAWDF to pay the salaries of at least 12 civilian acquisition and nonacquisition workforce personnel to manage DAWDF initiatives in hiring and training, as well as to manage DAWDF itself. These personnel were located within the Air Force Personnel Center, the Air Force Institute of Technology, and the Air Force Materiel Command. The Air Force’s March 2016 guidance specifically permits using DAWDF to pay for personnel to support and execute DAWDF initiatives. The guidance does not specify whether those personnel must be acquisition workforce members.

- Naval Sea Systems Command officials told us that they believed that DAWDF could not be used to hire any personnel to help manage DAWDF. However, the Navy DACM told us that the Navy as a whole had approximately 16 full-time equivalents supporting the management and execution of DAWDF. Five of these 16 positions were funded by DAWDF and were not acquisition coded.

- The Army Contracting Command received approval from the Army DACM to use DAWDF to pay for a DAWDF fund manager, which the Army identified as an acquisition-coded position. Army DACM officials told us that they do not believe that DAWDF funds can be used to pay for DAWDF personnel to manage the fund unless they are in acquisition-coded positions. The Army’s October 2016 guidance
specifies that DAWDF may be used for new hires placed in acquisition-coded positions.

- Defense Logistics Agency officials told us that they believed they were not allowed to use DAWDF to pay the salaries of any personnel responsible for managing DAWDF. As a result, the Defense Logistics Agency uses its regular budget to pay the salary of the person responsible for overseeing its DAWDF initiatives.

Federal internal control standards indicate that sufficient management personnel are needed to oversee federal programs and that agencies need clear and consistent policies and procedures to support accomplishment of agency objectives consistently.\(^\text{27}\) HCI’s August 2016 guidance, however, did not clearly indicate whether DOD components could use DAWDF to pay the salaries of personnel to manage DAWDF and under what conditions, while the guidance at the military departments is not consistent on the issue. Without additional clarification on whether DAWDF funds may be used to pay for personnel to manage DAWDF, and under what conditions, DOD components will continue to be at risk of not using DAWDF funding consistently, or, if DAWDF can be used to help manage and oversee the fund, potentially missing opportunities to enhance management and oversight.

HCI Has Implemented Some Additional Measures to Improve Oversight of DAWDF, but DAWDF Managers Do Not Have Accurate Data on the Execution of DAWDF Initiatives

DOD’s August 2016 guidance identifies several new and maturing processes HCI will use to improve DOD’s management and oversight of DAWDF. For example, in addition to the requirement for the DOD components to submit annual and 5-year spending plans, DOD’s August 2016 guidance formalized the requirement to hold a midyear review to assess DAWDF execution and discuss best practices, among other issues, as a part of HCI’s management and oversight of the fund. HCI conducted midyear reviews in 2015 and 2016 and believes they were beneficial. Building on the midyear review, the August 2016 guidance also includes a new requirement for all DAWDF users to submit annual year in review reports beginning in 2016. Required data include a summary of

the implementation of DAWDF initiatives in a standardized format, including details on hiring—by career field—and training, recruiting, and retention initiatives. According to HCI officials, these data will be used to compile the DAWDF annual report to Congress and provide more detailed and consistent information on the execution of the fund. HCI officials also hold monthly teleconferences with components to discuss funding requests and execution.

Nevertheless, HCI and component officials we spoke with acknowledged shortcomings in how they collected and reported data on DAWDF-funded initiatives, citing resource constraints and the absence of processes to verify the data collected. We found as a part of our review of fiscal year 2015 DAWDF initiatives that officials managing DAWDF did not have complete and accurate data on DAWDF-funded initiatives to meet reporting requirements and oversee the fund. To help meet congressional reporting requirements and assess fund execution, HCI requested that DOD components submit highlights of their DAWDF accomplishments for the year for inclusion in DOD’s annual report to Congress. However, we found that the components did not collect complete and accurate information on their efforts, which at times were reflected in DOD’s report to Congress. For example, DOD’s fiscal year 2015 report to Congress highlighted that DAWDF funded a total of 287 student loan repayments, but the Army alone provided us documentation that it awarded student loan repayments to 762 recipients that year using DAWDF.

Further, HCI requires DOD components to submit a monthly report to track program execution status. This report is intended to capture the monthly spending plan and execution against that plan, hiring data, and accomplishments associated with training and other incentives. However, DOD components did not always submit monthly reports. For example, of the 20 components that obligated DAWDF funds in fiscal year 2015, only 7 components provided HCI monthly reports in September 2015. HCI stated that this was because key DAWDF personnel transitioned to different jobs during the September and October 2015 time frame.

We also found that some information provided by the components to HCI as a part of their monthly reporting requirements was either incomplete or inaccurate. For example:

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28 Subsection 1705(f) of title 10, U.S. Code, requires DOD to submit an annual report to the congressional defense committees on the operation of DAWDF.
The Army did not report any tuition assistance recipients to HCI at the end of fiscal year 2015, but the Army Materiel Command provided documentation showing that it provided DAWDF-funded tuition assistance to 233 acquisition workforce personnel. Army officials explained that the discrepancy was because the acquisition personnel who received DAWDF-funded tuition assistance were reported under a different category.

Similarly, the Air Force DACM reported to HCI that the Air Force used DAWDF to help provide student loan repayment benefits to 8 personnel in fiscal year 2015. The Air Force Materiel Command told us that there were 32 recipients in the same year, but our analysis indicated that the actual number was 40.29

While the actions taken to improve management and oversight processes, if fully implemented, can help address the issues we identified during our review of fiscal year 2015 initiatives, it is not clear that these new processes include specific steps to verify the data that are collected and reported. Federal internal control standards state that programs need accurate data to determine whether they are meeting their agencies’ strategic and annual performance plans and meeting their goals for accountability for effective and efficient use of resources.30 To meet this standard, programs require procedures to verify that required data are complete and accurate. Without taking actions to ensure that the data reported are complete and accurate, HCI and DOD components increase their risk that they will not be able to determine whether they are meeting their goals or provide accurate information for DOD’s annual DAWDF reports to Congress.

29Given these reporting deficiencies, we conducted additional work to determine whether recipients of DAWDF-funded student loan repayment and tuition assistance initiatives were acquisition workforce personnel in the years that they received the benefit. We tested a nongeneralizable sample of 276 DAWDF recipients from the military departments against DOD’s acquisition personnel database and determined that each of the 165 DAWDF-funded student loan repayment beneficiaries were identified as acquisition workforce personnel. Further, we found that all 89 DAWDF-funded Army and Air Force tuition assistance recipients in our sample were identified as acquisition workforce personnel. In the case of the Navy, 13 of 22 personnel who received tuition assistance were identified as acquisition workforce personnel prior to receiving benefits. In the remaining nine cases, the Navy DACM noted that these individuals were engineering duty officers and DON unwritten policy made them eligible to receive benefits funded by DAWDF. The Navy subsequently developed a written policy.

30GAO-14-704G.
Conclusions

DOD’s use of DAWDF is at a critical juncture, in which it will no longer use the fund to grow the workforce but rather to sustain and build on the progress made over the past 9 years. Recent congressional actions have provided more stability in the level of funding to be credited to DAWDF, authorized the transfer of expired funds to DAWDF through fiscal year 2019, and addressed the carryover of unobligated DAWDF funds. Taken as a whole, these actions should facilitate DOD’s efforts to manage DAWDF but also require that DOD take greater initiative to maximize the opportunities these changes provide. DOD’s October 2016 strategic plan provides an overall framework for the acquisition workforce and broadly indicates how DAWDF will be used to support these efforts, but it does not identify time frames, metrics, or projected budgetary requirements associated with these goals or strategic priorities. Further, the components’ future DAWDF funding requirements average more than $600 million a year through fiscal year 2022—or $100 million more per year than DOD officials told us that they can put into DAWDF for a fiscal year. Clearly aligning DAWDF funding with DOD’s strategic plan—as we recommended in 2012—may help DOD determine how to prioritize component spending plans.

At the tactical level, our work found that DOD components’ guidance, practices, and views on whether they could use DAWDF to pay for personnel to help manage the fund varied. Our work also found that components collected and reported data to HCI on DAWDF-funded initiatives that had not been verified, attributable in their view to resource constraints and the absence of processes to ensure the accuracy and completeness of the data. Addressing these issues in a timely fashion is necessary for sound management of the fund and is consistent with federal internal control standards.

Recommendations for Executive Action

We recommend that the Director of Human Capital Initiatives take the following two actions:

- Clarify whether and under what conditions DAWDF funds could be used to pay for personnel to help manage the fund.
- In collaboration with cognizant officials within DOD components, ensure that components have processes in place to verify the
accuracy and completeness of data on the execution of initiatives funded by DAWDF.

Agency Comments and Our Evaluation

We provided a draft of this report to DOD for comment. In its comments, reproduced in appendix II, DOD partially concurred with both of the recommendations, and indicated actions that will be or have been taken to address them. DOD also provided technical comments, which we incorporated as appropriate.

In response to our recommendation that DOD clarify whether DAWDF funds could be used to pay for personnel to help manage the fund, DOD stated that the next release of the DAWDF Desk Operating Guide would provide the recommended clarity.

In response to our recommendation that DOD ensure that processes are in place to verify the accuracy and completeness of data on the execution of DAWDF initiatives, DOD noted that it had made significant management and other changes to improve the accuracy and completeness of data used and provided by components on the execution of initiatives funded by DAWDF. DOD noted that it had, among other actions, assigned a full-time DAWDF program manager; issued guidance to improve data validity, consistency, and alignment; and instituted a midyear execution review and established a requirement for a data-driven year in review. Several of these changes were made or were in process in 2016, which we identified in our draft report. If these management and policy changes are effectively translated into practice, we believe these actions will address the intent of the recommendation.

We are sending copies of this report to the appropriate congressional committees; the Secretary of Defense; the Secretaries of the Army, the Air Force, and the Navy; the Under Secretary of Defense for Acquisition, Technology and Logistics; the Under Secretary of Defense (Comptroller) and Financial Management; and the Director of Human Capital Initiatives. In addition, the report is also available at no charge on the GAO website at http://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-4841 or dinapolit@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.

Sincerely yours,
Letter

Timothy J. DiNapoli
Director, Acquisition and Sourcing Management
Appendix I: Objectives, Scope, and Methodology

This report examines (1) the process the Department of Defense (DOD) uses to fund the Defense Acquisition Workforce Development Fund (DAWDF) and (2) DOD’s management and oversight of DAWDF initiatives.

To conduct our work, we selected the acquisition command within each military department that had the largest number of acquisition workforce personnel in fiscal year 2015:

- Department of the Army, Army Materiel Command;
- Department of the Navy, Naval Sea Systems Command; and
- Department of the Air Force, Air Force Materiel Command.

We also selected the Defense Logistics Agency, which had the second largest number of acquisition personnel of the other defense agencies that obligated DAWDF funds in fiscal year 2015. Collectively, the three military departments and the Defense Logistics Agency comprised 88 percent of DOD’s acquisition workforce and received the majority of DAWDF funds in fiscal year 2015.

To examine the process DOD uses to fund DAWDF, we reviewed relevant legislation as well as DOD-wide and component guidance on the use of DAWDF funding. We analyzed the amount of carryover and estimated carryover funds from fiscal years 2008 through 2018. We reviewed key documents, including DOD funding authorization documents and DOD’s annual reports to Congress on DAWDF from fiscal years 2008 through 2015. We assessed the timeliness of DOD’s funding process by comparing data on key points in the funding process, including when the DOD Comptroller deposited funds into the DAWDF account, and analyzed documentation showing when the funds were allotted and obligated from fiscal years 2008 through 2016.

To evaluate DOD’s DAWDF management and oversight processes, we took several steps. We reviewed relevant legislation, DOD’s 2010 DAWDF guidance for components and its August 2016 DAWDF Desk Operating Guide, which includes information on the annual planning, proposal, review, approval, and funding processes; we also reviewed guidance issued by each of the military departments. We also assessed
Appendix I: Objectives, Scope, and Methodology

the Department of Defense Acquisition Workforce Strategic Plan, FY 2016 – FY 2021, which was completed in October 2016. We analyzed DAWDF future spending estimates from fiscal year 2017 through fiscal year 2022 submitted to the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics - Human Capital Initiatives (HCI) by each of the military departments and other defense agencies.\(^1\) In addition, we analyzed monthly DAWDF spending reports from fiscal year 2015, DAWDF midyear review documentation from fiscal years 2015 and 2016, and briefing materials from DAWDF governance meetings from fiscal years 2015 and 2016. We also interviewed officials from HCI, the offices of the Directors for Acquisition Career Management from each military department, and acquisition command officials about DOD’s long-term strategic planning efforts related to DAWDF. Further, we used Standards for Internal Control in the Federal Government to identify criteria regarding the types of control activities that should be in place to verify data.\(^2\) These criteria include top-level reviews of actual performance, reviews by management at the functional or activity level, establishment and review of performance measures and indicators, proper execution of transactions, and other steps to ensure the completeness, accuracy, and validity of reported data.

To evaluate DOD’s DAWDF program execution and adherence to reporting requirements, we compared DAWDF data submitted by DOD components at the end of fiscal year 2015 with data obtained from officials responsible for executing DAWDF initiatives, HCI’s monthly reporting requirements for DAWDF, and data reported in DOD’s DAWDF fiscal year 2015 annual report to Congress. In addition, we spoke with HCI and component officials about the quality of the data. We describe instances of incomplete and inaccurate data where appropriate in our report.

To obtain an understanding of how the planning, review, and implementation processes for DAWDF initiatives worked, we selected a nongeneralizable sample of 10 fiscal year 2015 DAWDF initiatives. Our sample included 3 initiatives from each department—1 from each of the three major initiative categories—that were among initiatives with the

\(^1\)HCI is responsible for the management of DAWDF.

highest dollar values. In addition, we selected 1 initiative from the Defense Logistics Agency. (See table 6.)

For these initiatives, we collected and reviewed relevant documentation and data and interviewed cognizant component officials.

To verify whether military department recipients of DAWDF-funded tuition assistance and student loan repayment were members of the defense acquisition workforce in the year that they received the benefit, we selected a nongeneralizable sample of 276 recipients across the military departments for fiscal year 2015 from the lists of recipients provided by the military departments. Because the programs are managed separately by each military department, we selected student loan repayment program recipients and tuition assistance recipients from each of the military departments (see table 7). Because we used a nongeneralizable sample, our findings cannot be used to make inferences about all DAWDF recipients.

### Table 6: Initiatives Supported by the Defense Acquisition Workforce Development Fund in Fiscal Year 2015 That GAO Reviewed

<table>
<thead>
<tr>
<th>Department of Defense (DOD) component</th>
<th>Category</th>
<th>Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Army</td>
<td>Training and Career Development</td>
<td>Predictive Staffing Model</td>
</tr>
<tr>
<td>Army</td>
<td>Retention and Recognition</td>
<td>Student Loan Repayment Program</td>
</tr>
<tr>
<td>Army</td>
<td>Recruiting and Hiring</td>
<td>Hiring Journeymen</td>
</tr>
<tr>
<td>Navy</td>
<td>Training and Career Development</td>
<td>Engineering and Technical Authority Training</td>
</tr>
<tr>
<td>Navy</td>
<td>Retention and Recognition</td>
<td>Permanent Change of Station Incentives</td>
</tr>
<tr>
<td>Navy</td>
<td>Recruiting and Hiring</td>
<td>Student Loan Repayment Program</td>
</tr>
<tr>
<td>Air Force</td>
<td>Training and Career Development</td>
<td>Major Command Acquisition Training</td>
</tr>
<tr>
<td>Air Force</td>
<td>Retention and Recognition</td>
<td>Pathways Interns</td>
</tr>
<tr>
<td>Air Force</td>
<td>Recruiting and Hiring</td>
<td>Recruiting Incentives, including Student Loan Repayment Program</td>
</tr>
<tr>
<td>Defense Logistics Agency</td>
<td>Retention and Recognition</td>
<td>Tuition Assistance</td>
</tr>
</tbody>
</table>

Source: GAO summary of selected data from DOD components. I GAO-17-332

### Table 7: Number of Recipients of Student Loan Repayments and Tuition Assistance That GAO Reviewed

<table>
<thead>
<tr>
<th>Department of Defense (DOD) component</th>
<th>Number of recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Student loan repayment program</td>
</tr>
<tr>
<td>Army</td>
<td>44</td>
</tr>
<tr>
<td>Navy</td>
<td>81</td>
</tr>
</tbody>
</table>

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Appendix I: Objectives, Scope, and Methodology

<table>
<thead>
<tr>
<th>Department of Defense (DOD) component</th>
<th>Student loan repayment program</th>
<th>Tuition assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Force</td>
<td>40</td>
<td>45</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>111</td>
</tr>
</tbody>
</table>

Source: GAO summary of sample data from DOD components. I GAO-17-332

To determine whether these recipients were members of the acquisition workforce, we verified that the recipients were in DataMart, DOD’s acquisition workforce database, the year that they received the benefit. To assess the reliability of DOD’s DataMart data, we (1) reviewed existing information about the data and the system that produced them, (2) reviewed the data for obvious errors in accuracy and completeness, and (3) worked with agency officials to identify any data problems. When we found discrepancies, we brought them to DOD’s attention and worked with DOD officials to correct the discrepancies. For example, in those instances where we could not verify a name in DataMart, we contacted military department officials to obtain additional information that allowed us to confirm that those recipients were a part of the acquisition workforce. We also interviewed agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

To address both objectives, we interviewed representatives from the following DOD organizations during our review:

**Office of the Secretary of Defense**

- Office of the Under Secretary of Defense for Acquisition, Technology and Logistics - HCI
- Office of the Under Secretary of Defense (Comptroller) and Chief Financial Officer
- Defense Finance and Accounting Service
- Office of the Joint Chiefs of Staff (J-4)

**Army**

- Director, Acquisition Career Management
- Army Acquisition Support Center
- Army Materiel Command
- Research, Development and Engineering Command
Appendix I: Objectives, Scope, and Methodology

Navy
- Director, Acquisition Career Management
- Naval Sea Systems Command

Air Force
- Director, Acquisition Career Management
- Air Force Materiel Command

Other Defense Agencies
- 4th Estate Director, Acquisition Career Management
- Defense Logistics Agency

We conducted this performance audit from March 2016 to March 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.
Appendix II: Comments from the Department of Defense

OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

MAR 15 2017

Mr. Timothy J. DiNapoli, Director
Acquisition and Sourcing Management
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. DiNapoli:

This is the Department of Defense (DoD) response to the Government Accountability Office (GAO) Draft Report, GAO-17-332, “DEFENSE ACQUISITION WORKFORCE: DOD Has Opportunities to Further Enhance Use and Management of Development Fund” dated February 6, 2017 (GAO Code 100644). Detailed comments on the report recommendations are enclosed.

While the report focuses on FY 2015, DoD made significant management improvements in FY 2016 that position DAWDF for long term success. Improvements include enhanced structure in major program execution reviews, improved monthly oversight through data driven checks and balances on initiatives and financial reporting, improved alignment of initiatives in planning categories, and improved staffing with a dedicated, full-time DAWDF program manager. The Department also highlights that through these management improvements, DAWDF permanence provided in the FY 2016 NDAA, and improved availability of funds, the FY 2016 DAWDF program achieved the best execution in program history.

Sincerely,

Rene Thomas-Rizzo
Director, AT&L Human Capital Initiatives

Enclosure: As stated
Appendix II: Comments from the Department of Defense

GAO Draft Report Dated February 6, 2017
GAO-17-332 (GAO CODE 100644)

“DEFENSE ACQUISITION WORKFORCE: DOD HAS OPPORTUNITIES TO FURTHER ENHANCE USE AND MANAGEMENT OF DEVELOPMENT FUND”

DEPARTMENT OF DEFENSE COMMENTS TO THE GAO RECOMMENDATIONS

RECOMMENDATION 1: The Government Accountability Office (GAO) recommends that the Director of Human Capital Initiates clarify whether and under what conditions Defense Acquisition Workforce Development Fund (DAWDF) funds could be used to pay for personnel to help manage the fund.

DoD RESPONSE: Partially concur. Clarity will be provided in the next release of the DAWDF Desk Operating Guide.

RECOMMENDATION 2: The GAO recommends that the Director of Human Capital Initiates, in collaboration with cognizant officials within DoD components, ensure that components have processes in place to verify the accuracy and completeness of data on the execution of initiatives funded by DAWDF.

DoD RESPONSE: Partially concur. Significant management and other changes have been made to improve the accuracy and completeness of data used and provided by components in the execution of initiatives funded by DAWDF. The changes include assignment of a full-time, dedicated Defense Acquisition Workforce Development Fund (DAWDF) Program Manager; detailed written guidance via the DAWDF Desk Operating Guide to ensure improved data validity, consistency of line item usage, and standardized operational definitions; establishment of checks and balances to ensure alignment of the DFAS 1002 Report and the monthly end user report - the DAWDF Management Information Tool; a detailed mid-year Program Execution Review; and a data driven Year in Review which allows end-users to report specific program accomplishments for inclusion in a more detailed Report to Congress. This institutional shift in the program management of DAWDF has dramatically improved program accountability and oversight of the Fund, as well as, moved the Fund to a data-driven environment.
Appendix III: GAO Contact and Staff

Acknowledgments

GAO Contact

Timothy J. DiNapoli, (202) 512-4841 or dinapolit@gao.gov

Staff Acknowledgments

In addition to the contact named above, Cheryl Andrew (Assistant Director), James D. Ashley, Emily Bond, Lorraine Ettaro, Meafelia P. Gusukuma, Kristine Hassinger, Katheryn Hubbell, Heather B. Miller, Roger R. Stoltz, Roxanna Sun, Alyssa Weir, Nell Williams, and Lauren Wright made key contributions to this report.
### Data Table for Highlights figure, Defense Acquisition Workforce Development Fund (DAWDF) Funding Carried Over from Year to Year Is Expected to Decrease Significantly by Fiscal Year 2018

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Obligations</th>
<th>Beginning of year carryover balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>634</td>
<td>421</td>
</tr>
<tr>
<td>2012</td>
<td>626</td>
<td>218</td>
</tr>
<tr>
<td>2013</td>
<td>455</td>
<td>398</td>
</tr>
<tr>
<td>2014</td>
<td>384</td>
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</tr>
<tr>
<td>2015</td>
<td>358</td>
<td>129</td>
</tr>
<tr>
<td>2016</td>
<td>444</td>
<td>875</td>
</tr>
<tr>
<td>2017</td>
<td>579 (Projected)</td>
<td>835</td>
</tr>
<tr>
<td>2018</td>
<td>591 (Projected)</td>
<td>156</td>
</tr>
</tbody>
</table>

### Data Table for Figure 1: Defense Acquisition Workforce Development Fund Obligations in Three Major Categories, Fiscal Years 2008 through 2016

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Training and development</th>
<th>Retention and recognition</th>
<th>Recruiting and hiring</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>17.27</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2009</td>
<td>118.82</td>
<td>18.845</td>
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<tr>
<td>2010</td>
<td>139.765</td>
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<tr>
<td>2011</td>
<td>148.674</td>
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<tr>
<td>2012</td>
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<td>2014</td>
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<td>216.752</td>
</tr>
<tr>
<td>2015</td>
<td>142.13</td>
<td>24.5334</td>
<td>191.442</td>
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<tr>
<td>2016</td>
<td>213.71</td>
<td>52.259</td>
<td>178.259</td>
</tr>
</tbody>
</table>
Data Table for Figure 3: Defense Acquisition Workforce Development Fund (DAWDF) Obligations Compared to Approved DAWDF Initiatives, Fiscal Years 2011 through 2016

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Approved program</th>
<th>Actual obligations</th>
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<tr>
<td>2011</td>
<td>699</td>
<td>634</td>
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<td>2012</td>
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<td>384</td>
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<td>2015</td>
<td>502</td>
<td>358</td>
</tr>
<tr>
<td>2016</td>
<td>482</td>
<td>444</td>
</tr>
</tbody>
</table>

Data Table for Figure 4: Defense Acquisition Workforce Development Fund (DAWDF) Obligations and Beginning of Year Carryover Balance, Fiscal Years 2011 through 2018

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Obligations</th>
<th>Beginning of year carryover balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>634</td>
<td>421</td>
</tr>
<tr>
<td>2012</td>
<td>626</td>
<td>218</td>
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<tr>
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<tr>
<td>2018</td>
<td>591 (Projected)</td>
<td>156</td>
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</tbody>
</table>

Agency Comment Letter

Text of Appendix II: Comments from the Department of Defense

Page 1

March 15, 2017

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U.S. Government Accountability Office 441 G Street, N.W.

Washington, DC 20548

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Rene Thomas-Rizzo

Director, AT&L Human Capital Initiatives

Enclosure: As stated

Page 2

GAO Draft Report Dated February 6, 2017 GA0-17-332 (GAO CODE 100644)

"DEFENSE ACQUISITION WORKFORCE: DOD HAS OPPORTUNITIES TO FURTHER ENHANCE USE AND MANAGEMENT OF DEVELOPMENT FUND"
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