AMENDMENT TO THE RULES COMMITTEE PRINT
FOR H.R. 1735
OFFERED BY MR. COFFMAN OF COLORADO

Strike section 905 and insert the following:

SEC. 905. ADDITIONAL REQUIREMENTS FOR STREAM-LINING OF DEPARTMENT OF DEFENSE MANAGEMENT HEADQUARTERS.

(a) FINDINGS.—

(1) On July 31, 2013, the then Secretary of Defense stated that the Department would “reduce[e] the Department’s major headquarters budgets by 20 percent. . . . Although the 20 percent cut applies to budget dollars, organizations will strive for a goal of 20 percent reductions in government civilians and military personnel.” The then Secretary further stated that “these management reforms. . . will reduce the Department’s overhead and operating costs by...$10 billion over the next five years.”.

(2) Furthermore, the President’s budget request for the Department of Defense for fiscal year 2015 stated that reductions to management headquarters staff and consolidation of duplicative efforts across the Department would result in a savings of
$5.3 billion over 5 years—through fiscal year 2019. However, as noted by the Government Accountability Office in a January 2015 report (GAO-15-10), the Department accounted for $5.3 billion as efficiency savings in its budget request, but has not provided specific details on the reductions to management headquarters’ staff it plans to make.

(3) In June 2014, the Government Accountability Office found (in GAO-14-439) that the Department did not have an accurate accounting of the resources being devoted to management headquarters to use as a starting point for tracking reductions to such headquarters. In April 2015, the Government Accountability Office reported (in GAO-15-404SP) that focusing reductions on management headquarters budgets and personnel, which tend to be inconsistently defined and often represent a small portion of the overall headquarters, shields much of the resources identified for potential reduction.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Secretary of Defense’s commitment in July 2013 to a goal of a 20 percent reduction in headquarters budgets and personnel and a goal of
$10 billion in cost savings over five years is worthwhile and should be fully implemented;

(2) without a clear baseline for management headquarters, it is difficult to demonstrate and track progress achieving actual savings;

(3) any reduction in personnel should not be implemented as an across-the-board cut, but rather should be strategically designed to retain critical functions, capabilities, and skill sets—including but not limited to depots and the acquisition workforce—and eliminate unnecessary or redundant functions or skill sets that do not benefit or support mission requirements;

(4) functions should be performed at the lowest appropriate organizational level and those organizations should be empowered and held accountable;

(5) duplicative functions at higher level organizations should be eliminated; and

(6) the movement of a function from a management headquarters to a different Department of Defense organization or a lower level organization does not result in an efficiency, since the same budget is still required to perform that function.

(c) REQUIREMENT TO IMPLEMENT 20 PERCENT REDUCTION IN MANAGEMENT HEADQUARTERS Func-
TIONS.—Section 904 of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113–66; 10 U.S.C. 111 note) is amended by adding at the end the following new subsection:

“(e) IMPLEMENTATION OF MANAGEMENT HEADQUARTERS REDUCTION.—The Secretary of Defense shall implement the 20 percent reduction directed by the Secretary in July 2013 in management headquarters budget and personnel by September 30, 2019. Such reductions shall be strategically designed to retain critical functions, capabilities, and skill sets. Management, functions, programs, or offices shall be moved to the lowest appropriate organizational level. In any report issued pursuant to subsection (d), the Secretary may not claim a cost savings solely based on moving management, functions, programs, or offices from one organization to another.”.

(d) CHANGE IN DEADLINE FOR REQUIRED PLAN.—Section 904(a) of the such Act is amended by striking “180 days after the date of the enactment of this Act” and inserting “March 31, 2016”.

(f) ADDITIONAL ELEMENTS OF PLAN.—Section 904(b) of such Act is amended—

(1) by redesignating paragraphs (1), (2), and (3) as paragraphs (2), (3), and (4), respectively;
(2) by inserting before paragraph (2), as so redesignated, the following new paragraph (1):

“(1) An accurate baseline accounting of defense headquarters budgets and personnel as of fiscal year 2013, including what is and is not included as part of management headquarters accounting, and a detailed description of the number of personnel, budgets, functions, capabilities, and skill sets.”;

(3) in paragraph (2), as so redesignated—

(A) by inserting “actual and” before “planned changes”; 

(B) by striking “staffing” and inserting “personnel”; and

(C) by inserting before the period at the end the following: “, set forth separately by year, from 2013 through 2019”;

(4) in paragraph (3), as so redesignated—

(A) by striking “description of the planned changes” and inserting “detailed description of the actual and planned changes”; and

(B) by inserting before the period at the end the following: “, set forth separately by year, from 2013 though 2019”; and

(5) in paragraph (4), as so redesignated, by striking “fiscal year 2015, and estimated savings to
be achieved for each of fiscal years 2015 through
2024” and inserting “fiscal year 2013, and esti-
imated savings to be achieved, along with associated
changes or reductions in budget, for each of fiscal
years 2013 through 2024”.

(f) ADDITIONAL REPORT REQUIREMENTS.—Section
904(d) of such Act is amended—

(1) in paragraph (1), by striking “180 days
after the date of the enactment of this Act” and in-
serting “March 31, 2016”; and

(2) in paragraph (2)—

(A) in subparagraph (C), by striking “in-
cluding” and all that follows through the end of
the subparagraph and inserting the following:
“and specific detailed information on how the
changes, consolidations, or reductions were
prioritized and resulted in functions no longer
being performed, in the fiscal year covered by
such report.”;

(B) in subparagraph (F), by striking “, in-
cluding” and all that follows through “manage-
ment review”; and

(C) by adding at the end the following new
subparagraph:
“(H) A separate description of—
“(i) the management functions, programs, or offices that were eliminated and how each represents a redundant management or oversight function; and

“(ii) the management, functions, programs, or offices that were moved, and how moving each will result in efficiency.”.