

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

Strike section 905 and insert the following:

1 **SEC. 905. ADDITIONAL REQUIREMENTS FOR STREAM-**
2 **LINING OF DEPARTMENT OF DEFENSE MAN-**
3 **AGEMENT HEADQUARTERS.**

4 (a) FINDINGS.—

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

15 (2) Furthermore, the President’s budget re-
16 quest for the Department of Defense for fiscal year
17 2015 stated that reductions to management head-
18 quarters staff and consolidation of duplicative efforts
19 across the Department would result in a savings of

1 \$5.3 billion over 5 years—through fiscal year 2019.
2 However, as noted by the Government Account-
3 ability Office in a January 2015 report (GAO-15-
4 10), the Department accounted for \$5.3 billion as
5 efficiency savings in its budget request, but has not
6 provided specific details on the reductions to man-
7 agement headquarters' staff it plans to make.

8 (3) In June 2014, the Government Account-
9 ability Office found (in GAO-14-439) that the De-
10 partment did not have an accurate accounting of the
11 resources being devoted to management head-
12 quarters to use as a starting point for tracking re-
13 ductions to such headquarters. In April 2015, the
14 Government Accountability Office reported (in GAO-
15 15-404SP) that focusing reductions on management
16 headquarters budgets and personnel, which tend to
17 be inconsistently defined and often represent a small
18 portion of the overall headquarters, shields much of
19 the resources identified for potential reduction.

20 (b) SENSE OF CONGRESS.—It is the sense of Con-
21 gress that—

22 (1) the Secretary of Defense's commitment in
23 July 2013 to a goal of a 20 percent reduction in
24 headquarters budgets and personnel and a goal of

1 \$10 billion in cost savings over five years is worth-
2 while and should be fully implemented;

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

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

14 (4) functions should be performed at the lowest
15 appropriate organizational level and those organiza-
16 tions should be empowered and held accountable;

17 (5) duplicative functions at higher level organi-
18 zations should be eliminated; and

19 (6) the movement of a function from a manage-
20 ment headquarters to a different Department of De-
21 fense organization or a lower level organization does
22 not result in an efficiency, since the same budget is
23 still required to perform that function.

24 (c) REQUIREMENT TO IMPLEMENT 20 PERCENT RE-
25 DUCTION IN MANAGEMENT HEADQUARTERS FUNC-

1 TIONS.—Section 904 of the National Defense Authoriza-
2 tion Act for Fiscal Year 2014 (Public Law 113–66; 10
3 U.S.C. 111 note) is amended by adding at the end the
4 following new subsection:

5 “(e) IMPLEMENTATION OF MANAGEMENT HEAD-
6 QUARTERS REDUCTION.—The Secretary of Defense shall
7 implement the 20 percent reduction directed by the Sec-
8 retary in July 2013 in management headquarters budget
9 and personnel by September 30, 2019. Such reductions
10 shall be strategically designed to retain critical functions,
11 capabilities, and skill sets. Management, functions, pro-
12 grams, or offices shall be moved to the lowest appropriate
13 organizational level. In any report issued pursuant to sub-
14 section (d), the Secretary may not claim a cost savings
15 solely based on moving management, functions, programs,
16 or offices from one organization to another.”.

17 (d) CHANGE IN DEADLINE FOR REQUIRED PLAN.—
18 Section 904(a) of the such Act is amended by striking
19 “180 days after the date of the enactment of this Act”
20 and inserting “March 31, 2016”.

21 (f) ADDITIONAL ELEMENTS OF PLAN.—Section
22 904(b) of such Act is amended—

23 (1) by redesignating paragraphs (1), (2), and
24 (3) as paragraphs (2), (3), and (4), respectively;

1 (2) by inserting before paragraph (2), as so re-
2 designated, the following new paragraph (1):

3 “(1) An accurate baseline accounting of defense
4 headquarters budgets and personnel as of fiscal year
5 2013, including what is and is not included as part
6 of management headquarters accounting, and a de-
7 tailed description of the number of personnel, budg-
8 ets, functions, capabilities, and skill sets.”;

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

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

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

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

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

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

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

24 (5) in paragraph (4), as so redesignated, by
25 striking “fiscal year 2015, and estimated savings to

1 be achieved for each of fiscal years 2015 through
2 2024” and inserting “fiscal year 2013, and esti-
3 mated savings to be achieved, along with associated
4 changes or reductions in budget, for each of fiscal
5 years 2013 through 2024”.

6 (f) ADDITIONAL REPORT REQUIREMENTS.—Section
7 904(d) of such Act is amended—

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

11 (2) in paragraph (2)—

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

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

23 (C) by adding at the end the following new
24 subparagraph:

25 “(H) A separate description of—

1 “(i) the management functions, pro-
2 grams, or offices that were eliminated and
3 how each represents a redundant manage-
4 ment or oversight function; and

5 “(ii) the management, functions, pro-
6 grams, or offices that were moved, and
7 how moving each will result in efficiency.”.

