SEC. 1104. AUTHORITY OF SERVICE SECRETARIES TO EMPLOY UP TO 10 PERSONS WITHOUT PAY.

Section 1583 of title 10, United States Code, is amended in the first sentence—

(1) by inserting "and the Secretaries of the military departments" after "the Secretary of Defense"; and

(2) by inserting "each" after "may".

Section-by-Section Analysis

This proposal would amend section 1583 of title 10, United States Code, to provide the Secretaries of the military departments the same authority as the Secretary of Defense to employ, without pay, up to ten persons of outstanding experience and ability. Section 1583 currently only provides the Secretary of Defense a timely method to hire distinguished civilians to provide valuable experience and abilities to solving some of our most trying problems. The current statute does not provide the Secretaries of the military departments with the appropriate authority to hire, without pay, distinguished civilians in a timely manner.

Each year, the military departments face important issues and special projects that have a direct impact on our operations as well as the well being of service members, civilian employees, and their families. Some of the issues involve complex matters that require specific expertise or unique perspectives that reside outside the Department of Defense (DoD).

Unfortunately, the current hiring authorities available to the Secretaries of the military departments to bring distinguished people into the work force to work with others on special projects are usually time-consuming, costly, and carry the prospect for significant hardship on the very individuals we most need to help us resolve some of our greatest challenges. This proposal would provide the military departments with a more efficient way to bring into the Government a limited number of distinguished people.

Hiring distinguished citizens as Federal employees is important to securing specialized expertise. At the same time, it is imperative that the individuals the military departments hire are subject to certain ethics laws and regulations that apply to Federal employees to avoid any perception of impropriety. Under the Joint Ethics Regulation, distinguished citizens hired under this authority are required to fill out a confidential financial disclosure report (Office of Government Ethics (OGE) Form 450). The OGE 450 Form is used to determine whether there are any potential conflicts of interest between official duties and private financial interests or affiliations. Traditionally, this form is reviewed by the filer's first line supervisor and the agency ethics official. Additionally, the military departments can require the distinguished citizens to sign non-disclosure statements or other conflict of interest statements. Enforcing ethical standards promotes public trust and confidence in the integrity of the programs and operations of the military departments.

Budget Implications: This proposal assumes that the maximum number of individuals would be hired under this authority. However, this proposal does not require that funds be expended. It is also possible that this authority would not be used in a given year. This proposal assumes that if 10 individuals are hired in one year, half would travel from the west coast (California (CA)) and the other half would travel from the east coast (Virginia). Our west coast travel expenses include air transportation from Los Angeles, CA and our east coast travel expenses include Personally Owned Vehicle (POV) transportation of 100 miles round trip. We also calculated that all 10 individuals would receive $15.00 per day. For purposes of this proposal, it is assumed that the individuals would work 365 days. However, based on historical data it is highly likely that less than 10 individuals would be hired and that they would work less than 365 days. The General Services Administration (GSA) website provides that a round trip airline ticket from LAX to DCA is approximately $350.00. The GSA website also provides that the current POV mileage reimbursement rate is $0.50 per mile. The current inflation rate is 2.02.

RESOURCE REQUIREMENTS ($MILLIONS) REFLECTED IN PRESIDENT'S BUDGET								
	FY 2012	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Army	.057	.058	.059	.060	.061	O&M	BA 01	133
Navy/USMC	.057	.058	.059	.060	.061	O&M	BA 04 / BA 04	4A1M / 4A4G
Air Force	.057	.058	.059	.060	.061	O&M	BA 04	042A
Total	.171	.174	.177	.180	.183			

NUMBER OF PERSONNEL AFFECTED								
	FY 2012	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**Appropriation To**	**Budget Activity**	**Dash-1 Line Item**
Army	10	10	10	10	10	O&M	BA 01	133
Navy/USMC	10	10	10	10	10	O&M	BA 04 / BA 04	4A1M / 4A4G
Air Force	10	10	10	10	10	O&M	BA 04	042A
Total	30	30	30	30	30			

Changes to Existing Law: This proposal would make the following changes to section 1583 of title 10, United States Code:

§ 1583. Employment of certain persons without pay

The Secretary of Defense <u>and the Secretaries of the military departments</u> may <u>each</u> employ, without pay, not more than 10 persons of outstanding experience and ability. However, a person so employed may be allowed transportation and not more than $15 a day instead of subsistence, while away from his home or regular place of business pursuant to employment under this section.