SEC. ___. AMENDMENT TO EXTEND TIME PERIOD FOR TRANSFER OR DISCHARGE OF CERTAIN ARMY AND AIR FORCE RESERVE COMPONENT GENERAL OFFICERS.

Section 14314 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively;

(B) by striking "Within" and inserting "(1) Except as provided in paragraph (2), within"; and

(C) by inserting at the end the following new paragraph (2):

"(2) For any general officer covered by paragraph (1) who is released from a joint duty assignment or other non-joint active-duty assignment, the Secretary concerned shall complete the transfer or discharge required by paragraph (1) not later than 60 days after the officer's release."; and

(2) in subsection (c), by striking "subsection (a)(3)" and inserting "subsection (a)(1)(C)".

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

The Office of the General Counsel at the Department of Defense has opined that section 14314(a) of title 10 applies to all Army and Air Force reserve component general officers, including those officers serving in positions designated by statute to carry the grade of general or lieutenant general, officers serving in positions of importance and responsibility designated to carry the grade of general or lieutenant general pursuant to section 601(a) of title 10, and officers serving in joint duty positions. The Office of the General Counsel has further advised that section 14314(a) is controlling such that Army and Air Force reserve component general officers must be removed from an active status in the Selected Reserve within 30 days after ceasing to occupy a position commensurate with grade, notwithstanding any other

provision of law.

Under this interpretation, section 14314(a) effectively places a 30-day limitation on any other provision of law in title 10 that would otherwise allow Army and Air Force reserve component general officers to continue serving in an active status or on active duty for more than 30 days after ceasing to occupy a general officer position. These provisions include:

(1) section 601(b), which allows general officers of all components to continue to hold the grade of general or lieutenant general after service in a position designated under section 601(a) or by law to carry those grades;

(2) section 525(e), which excludes general officers of all components from the active duty general officer distribution limits of section 525(a) when those officers are pending separation or retirement or between senior positions;

(3) section 526(d), which excludes general officers of all components from the general officer active duty strength limitations of section 526(a) when those officers are pending separation or retirement or between senior positions;

(4) section 526(g), which excludes general officers of all components from the general officer active duty strength limitations of section 526(a) when those officers are departing from joint duty assignments;

(5) section 12004(f), which excludes reserve component general officers from the general officer active status strength limitations of section 12004(a) when those officers are departing from joint duty assignments or non-joint active duty assignments;

(6) section 14508(c)-(d), which requires that reserve component officers in the grades of general and lieutenant general be removed from an active status on the latter of the fifth anniversary of appointment to that grade or after forty or thirty-eight years of commissioned service, respectively; and

(7) section 10502(b)(2), providing that the "Chief of the National Guard Bureau may not be removed from the reserve active-status list, or from an active status, under any provision of law that otherwise would require such removal due to a completion of a specified number or years of service or a specified number of years of service in grade."

The proposed amendment to section 14314 would remove this 30-day impediment so that certain Army and Air Force reserve component general officers and the organizations in which they serve may use the full authority of the foregoing provisions for up to 60 days, after which the officers would be removed from an active status.

Resource Information: This proposal has no significant impact on the use of resources requested within the Fiscal Year (FY) 2025 President's Budget.

Changes to Existing Law: This proposal would amend section 14314 of title 10, United States Code, as follows:

(a) GENERAL OFFICERS.—(1) Except as provided in paragraph (2), ~~W~~within 30 days after a reserve officer of the Army or the Air Force on the reserve active-status list in a general officer grade ceases to occupy a position commensurate with that grade (or commensurate with a higher grade), the Secretary concerned shall transfer or discharge the officer in accordance with whichever of the following the officer elects:

(~~1~~ A) Transfer the officer in grade to the Retired Reserve, if the officer is qualified and applies for the transfer.

(~~2~~ B) Transfer the officer in grade to the inactive status list of the Standby Reserve, if the officer is qualified.

(~~3~~ C) Discharge the officer from the officer's reserve appointment and, if the officer is qualified and applies therefor, appoint the officer in the reserve grade held by the officer as a reserve officer before the officer's appointment in a general officer grade.

(~~4~~ D) Discharge the officer from the officer's reserve appointment.

(2) For any general officer covered by paragraph (1) who is released from a joint duty assignment or other non-joint active-duty assignment, the Secretary concerned shall complete the transfer or discharge required by paragraph (1) not later than 60 days after the officer's release.

(b) Adjutants General.—If a reserve officer who is federally recognized in the Army National Guard or the Air National Guard solely because of the officer's appointment as adjutant general or assistant adjutant general of a State ceases to occupy that position, the Secretary concerned, not later than 30 days after the date on which the officer ceases to occupy that position, shall—

(1) withdraw that officer's Federal recognition; and

(2) require that the officer—

(A) be transferred in grade to the Retired Reserve, if the officer is qualified and applies for the transfer;

(B) be discharged from the officer's reserve appointment and appointed in the reserve grade held by the officer as a reserve officer immediately before the appointment of that officer as adjutant general or assistant adjutant general, if the officer is qualified and applies for that appointment; or

(C) be discharged from the officer's reserve appointment.

(c) Credit for Service in Grade.—An officer who is appointed under subsection ~~(a)(3)~~ (a)(1)(C) or (b)(2)(B) shall be credited with an amount of service in the grade in which appointed that is equal to the amount of prior service in an active status in that grade and in any higher grade.

SEC. ___. AUTHORITY TO TRANSFER INDIVIDUALS DETAINED AT UNITED STATES NAVAL STATION, GUANTANAMO BAY, CUBA, TO THE UNITED STATES TEMPORARILY FOR EMERGENCY OR CRITICAL MEDICAL TREATMENT.

(a) TEMPORARY TRANSFER FOR MEDICAL TREATMENT.—Notwithstanding section 1033 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Public Law 115–232; 132 Stat. 1953) or any other provision of law, including any other prohibition or limitation on the use of funds, the Secretary of Defense, after consultation with the Secretary of Homeland Security, may temporarily transfer an individual detained at Guantanamo Bay, Cuba, to a Department of Defense military medical treatment facility in the United States for the sole purpose of providing the individual medical treatment if the Secretary of Defense determines, in the discretion of the Secretary, that—

(1) the medical treatment of the individual is necessary to prevent death or imminent significant irreversible injury or harm to the health of the individual or others;

(2) the necessary medical treatment is not available to be provided at the United States Naval Hospital Guantanamo Bay located onboard the United States Naval Station, Guantanamo Bay, Cuba, without incurring excessive and unreasonable costs; and

(3) the Department of Defense has provided for appropriate security measures for the custody and control of the individual during any period in which the individual is temporarily in the United States under this section.

(b) LIMITATION ON EXERCISE OF AUTHORITY.—The authority of the Secretary of Defense under subsection (a) may be exercised only by the Secretary of Defense or another official of the Department of Defense at the level of Under Secretary of Defense or higher.

(c) CONDITIONS OF TRANSFER.—An individual who is temporarily transferred under subsection (a) shall—

(1) while in the United States, remain in the custody and control of the Secretary of Defense at all times; and

(2) except as provided in subsection (e), be returned to United States Naval Station, Guantanamo Bay, Cuba, as soon as feasible after a Department of Defense physician determines, in consultation with the Commander, Joint Task Force-Guantanamo Bay, Cuba, that any necessary follow-up medical care may be reasonably provided to the individual at the United States Naval Hospital onboard the United States Naval Station, Guantanamo Bay, Cuba, without incurring excessive and unreasonable costs.

(d) STATUS WHILE IN THE UNITED STATES.—An individual who is temporarily transferred under subsection (a), while in the United States—

(1) shall be deemed at all times and in all respects to be in the uninterrupted custody of the Secretary of Defense, as though the individual remained physically at United States Naval Station, Guantanamo Bay, Cuba;

(2) shall not at any time be subject to, and may not apply for or obtain, or be deemed to enjoy, any right, privilege, status, benefit, or eligibility for any benefit (including parole, asylum, or treatment as an applicant for admission) under any provision of the immigration laws (as defined in section 101(a)(17) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(17)) or under any other law, treaty, or regulation;

(3) shall not enjoy or be permitted to avail himself of any right, privilege, or benefit of any law of the United States, including any treaty, beyond those available to

individuals detained at United States Naval Station, Guantanamo Bay, Cuba, including any right, privilege, or benefit under the Religious Freedom Restoration Act of 1993 (42 U.S.C. 2000bb et seq.) and under section 1346(b) or chapter 171 of title 28, United States Code; and

(4) shall not, as a result of such transfer, have a change in any designation, including as an enemy combatant or alien unprivileged enemy belligerent, that may have attached to that detainee while detained at United States Naval Station, Guantanamo Bay, Cuba.

(e) EXCEPTION TO REQUIREMENT TO RETURN TO UNITED STATES NAVAL STATION GUANTANAMO BAY, CUBA.—Notwithstanding subsection (c)(2), the Secretary of Defense may transfer or release an individual who has been transferred to the United States under subsection (a) to that individual's country of origin or another foreign country—

(1) in accordance with section 1034(a) of the National Defense Authorization Act for Fiscal Year 2016 (10 U.S.C. 801 note);

(2) in accordance with the requirements of section 308 of the Intelligence Authorization Act for Fiscal Year 2012 (10 U.S.C. 801 note); and

(3) consistent with the Convention Against Torture policy in section 2242(a) of the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105–277), as applied to individuals detained at United States Naval Station, Guantanamo Bay, Cuba.

(f) NO CAUSE OF ACTION.— Nothing in this section shall be construed to create any right, benefit, claim, or cause of action, in favor of or enforceable by any party against the United States or any other person or entity, including with respect to any decision to transfer or not to transfer an individual made under subsection (a).

(g) LIMITATION ON JUDICIAL REVIEW.—

(1) VENUE.—Venue for any action brought by or on behalf of an individual transferred under this section shall be exclusively in the United States District Court for the District of Columbia.

(2) LIMITATION.—Notwithstanding any other provision of law, including section 2241 of title 28, United States Code, and except as provided in paragraph (3) of this subsection and chapter 47A of title 10, United States Code, no court, justice, or judge shall have jurisdiction to hear or consider any claim or action against the United States or its departments, agencies, officers, employees, or agents (including contractors), including in an individual capacity, arising from or relating to any aspect of the detention, transfer, trial, treatment, or conditions of confinement of an individual transferred under this section.

(3) EXCEPTION FOR HABEAS CORPUS.—The United States District Court for the District of Columbia shall have exclusive jurisdiction to consider a petition or application for writ of habeas corpus filed by or on behalf of an individual who is in the United States pursuant to a temporary transfer under the authority in subsection (a). Such jurisdiction shall be limited to that required by the Constitution, and relief shall be only as provided consistent with paragraph (4). The court may not review, halt, or stay the return of the individual who is the subject of the application to United States Naval Station, Guantanamo Bay, Cuba, pursuant to subsection (c) or the transfer of the individual out of United States custody pursuant to subsection (e). The court may not review whether such return or transfer is consistent with the Convention Against Torture or its implementing laws or regulations.

(4) RELIEF IN MILITARY COMMISSION PROCEEDING.—In a proceeding under chapter 47a of title 10, United States Code, a court, justice, judge, military judge, or commission may not review, halt, or stay the return of the individual who is the subject of the proceeding to United States Naval Station, Guantanamo Bay, Cuba, pursuant to subsection (c). A court, justice, judge, military judge, or commission in such a proceeding may not order the release of the individual within the United States.

(5) RELIEF.—In a proceeding covered by paragraph (3) or otherwise—

(A) a court may not order the release of the individual within the United States;

(B) a court may not review, halt, or stay the return of the individual who is the subject of the application to United States Naval Station, Guantanamo Bay, Cuba, pursuant to subsection (c) or the transfer of the individual out of United States custody pursuant to subsection (e); and

(C) a court may not review whether a return or transfer under subparagraph (B) is consistent with the Convention Against Torture or its implementing laws or regulations.

(h) NOTIFICATION.—Whenever a temporary transfer of an individual detained at Guantanamo Bay, Cuba, is made under the authority of subsection (a), the Secretary of Defense shall notify the Committees on Armed Services of the Senate and the House of Representatives of the transfer not later than five days after the date on which the transfer is made.

(i) INDIVIDUAL DETAINED AT GUANTANAMO BAY, CUBA DEFINED.—In this section, the term "individual detained at Guantanamo Bay, Cuba" means an individual located at United States Naval Station, Guantanamo Bay, Cuba, as of October 1, 2009, who—

(1) is not a national of the United States (as defined in section 1101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)) or a member of the Armed Forces of the United States; and

(2) is—

(A) in the custody or under the control of the Department of Defense; or

(B) otherwise detained at United States Naval Station, Guantanamo Bay, Cuba.

(j) APPLICABILITY.—This section shall apply to an individual temporarily transferred under subsection (a) regardless of the status of any pending or completed proceeding or detention on the date of the enactment of this Act.

Section-by-Section Analysis

This proposal would allow the Department of Defense (DoD) to temporarily and conditionally transfer an individual detained at United States Naval Station, Guantanamo Bay, Cuba, to a DoD military medical treatment facility in the United States for the sole purpose of providing the individual medical treatment. Under the proposal, the Secretary of Defense determines in advance whether an individual meets the conditions for transfer, including that (1) the medical treatment is necessary to prevent death or imminent significant irreversible injury, (2) the medical treatment is not otherwise available to be provided without incurring excessive and unreasonable cost, and (3) DoD has provided for appropriate security measures to maintain custody and control of the individual during the period the individual is in the United States.

Providing certain standard treatments to detainees for advanced diseases at United States Naval Station, Guantanamo Bay could result in unreasonable costs associated with building and maintaining a capacity to provide such treatments. Challenges in meeting the projected medical needs of the small but aging population of Guantanamo Bay detainees is receiving increasing domestic and international attention. This proposal provides an appropriate means to ensure that those challenges are responsibly met.

RESOURCE IMPACT ($MILLIONS)

Program	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Appropriation	Budget Activity	BLI/ SAG	Program Element (for all RDT&E programs)
Army	$0.507	$0.530	$0.579	$0.605	$0.632	Operation and Maintenance, Army	04	434	N/A
Total	$0.507	$0.530	$0.579	$0.605	$0.632				

Resource Information: The table below reflects the best estimate of resources requested within the Fiscal Year (FY) 2025 President's Budget that are impacted by this proposal.

Changes to Existing Law: This proposal would not change the text of any existing provision of law.

SEC. ___. AUTHORITY TO PAY HIGHER RATES OF PARTIAL BASIC ALLOWANCE FOR HOUSING FOR UNACCOMPANIED HOUSING.

Section 2882(b) of title 10, United States Code, is amended—

(1) by striking "A member" and inserting "(1) A member"; and

(2) by adding at the end the following new paragraph:

"(2)(A) The Secretary of Defense may prescribe and, under section 403(o) of title 37, pay for members of the armed forces without dependents in military unaccompanied housing acquired or constructed under this subchapter higher rates of partial basic allowance for housing than the rates authorized under paragraph (2) of such section.

"(B) The Secretary may not prescribe and pay a rate of partial basic allowance for housing under this paragraph that exceeds the rate of the basic allowance for housing in the area concerned.".

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

This proposal would allow the Secretary of Defense to pay higher rates of partial basic allowance for housing (HRPB) to members of the Armed Forces without dependents who occupy military unaccompanied housing (UH) acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code (U.S.C.).

The Secretary has authority under existing law to pay HRPB for two Department of the Navy (DON) pilot UH projects in San Diego and Hampton Roads entered into before September 30, 2009. These projects were developed under section 2881a of title 10, which authorized pilot projects for the acquisition and construction of military UH and the payment of HRPB to members housed in those projects. The pilot authority expired on September 30, 2009.

Current budget levels do not allow for the Department to fund unaccompanied military construction, restoration, modernization, and operations at the annual level needed to achieve and maintain the Department's established goal of maintaining 90 percent or greater UH inventory as adequate or better. As a result, 40 percent of the Navy's inventory is now in poor or failing condition. Using the pilot authority, the DON was successful in leveraging $79.7 million

in Government investment into $500.6 million in private-sector investment, at a lower life-cycle cost compared to traditional military construction.

The San Diego and Hampton Roads projects provide Sailors with quality housing exceeding that which the DON provides. These projects meet the Secretary of Defense direction to uphold our sacred obligation to take care of service members and to improve their quality of life. Common amenities include swimming pools, Wi-Fi access, club houses, fitness centers, and ball courts. Resident satisfaction consistently is reported as good to outstanding and physical occupancy exceeds 95 percent. The sustainment revenue for both projects exceeds projected requirements over the life of the project and the debt service coverage ratio exceeds the requirement. Both projects are considered healthy in regard to projected funds versus sustainment requirements over the term and currently project a surplus in the hundreds of millions of dollars. These projects have improved the quality of Navy UH and the quality of life of single service members at a lower overall cost to the Department than traditional military construction. Making HRPB authority permanent will do the same for UH across the Department.

The Department would use the authority contained in this proposal to address UH requirements in areas with high service-member populations, such as the Southeast, Northwest, and Hawaii Regions. Without HRPB, UH projects in these areas are generally not financially viable for private companies and the cost-effective, high-quality housing will not be made available.

Resource Implication: The proposal will allow the DON to identify and pursue UH privatization where feasible. Resource impacts will depend on which projects are selected based on feasibility analyses. The potential resource impact of notional or potentially feasible projects could start at $13 million in fiscal year (FY) 2027, and eventually total $153 million through the Future Years Defense Program. However, this impact is expected to be less than the impact of equivalent traditional military housing construction. In addition, some portion of this impact could be offset by existing DON resources used to maintain and operate our inadequate UH.

The resources impacted by this proposal are reflected in the table below and are included within the Fiscal Year (FY) 2025 President's Budget request.

RESOURCE IMPACT ($MILLIONS)									
Program	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**Appropriation**	**Budget Activity**	**BLI/SAG**	**Program Element (for all RDT&E programs)**
Unaccompanied Housing Privatization	0	0	13	60	80	MP,N	01		
Total	0	0	13	60	80				

Changes to Existing Law: This proposal would amend section 2882 of title 10, United States Code, as follows:

§ 2882. Effect of assignment of members to housing units acquired or constructed under alternative authority

(a) TREATMENT AS QUARTERS OF THE UNITED STATES.—Except as provided in subsection (b), housing units acquired or constructed under this subchapter shall be considered as quarters of the United States or a housing facility under the jurisdiction of a uniformed service for purposes of section 403 of title 37.

(b) AVAILABILITY OF BASIC ALLOWANCE FOR HOUSING.—(1) A member of the armed forces who is assigned to a housing unit acquired or constructed under this subchapter that is not owned or leased by the United States shall be entitled to a basic allowance for housing under section 403 of title 37.

(2)(A) The Secretary of Defense may prescribe and, under section 403(o) of title 37, pay for members of the armed forces without dependents in military unaccompanied housing acquired or constructed under this subchapter higher rates of partial basic allowance for housing than the rates authorized under paragraph (2) of such section.

(B) The Secretary may not prescribe and pay a rate of partial basic allowance for housing under this paragraph that exceeds the rate of the basic allowance for housing in the area concerned.

(c) LEASE PAYMENTS THROUGH PAY ALLOTMENTS.—The Secretary concerned may require members of the armed forces who lease housing in housing units acquired or constructed under this subchapter to make lease payments for such housing pursuant to allotments of the pay of such members under section 701 of title 37.

SEC. ___. AUTHORITY TO PROVIDE CONTRACTED ASSISTANCE TO SECURE THE SOUTHERN LAND BORDER OF THE UNITED STATES.

Section 1059(a) of the National Defense Authorization Act for Fiscal Year 2016 (10 U.S.C. 284 note; Public Law 114-92) is amended by—

(1) in paragraph (1)(A), by striking "United States Customs and Border Protection" and inserting "U.S. Customs and Border Protection";

(2) redesignating paragraph (2) as paragraph (3); and

(3) inserting after paragraph (1) the following new paragraph:

"(2) CONTRACT AUTHORITY.—In providing assistance to U.S. Customs and Border Protection under paragraph (1), the Secretary may acquire by contract for the purposes of such assistance the following services:

"(A) Detection and monitoring.

"(B) Warehousing and logistical supply chain.

"(C) Transportation.

"(C) Vehicle maintenance.

"(D) Training other than lead or primary instructor.

"(E) Intelligence analysis.

"(F) Linguist.

"(G) Data entry.

"(H) Aviation.".

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

This proposal would amend section 1059 of the National Defense Authorization Act for Fiscal Year 2016 (10 U.S.C. 284 note; Public Law 114-92) to authorize the Secretary of Defense to enter into services contracts to provide Department of Defense (DoD) assistance to U.S. Customs and Border Protection (CBP) for purposes of increasing ongoing efforts to secure the southern land border of the United States.

Currently, DoD assistance provided under section 1059 is limited to "members and units of the regular and reserve components of the Armed Forces." Proposed new paragraph (2) of subsection (a) would provide the Secretary of Defense an alternative to using military units and members. The vast majority, if not all, of DHS requests for DoD assistance for CBP pursuant to section 1059 have not been military-unique and have not required military personnel. Military personnel have been used for the support to DHS not because the DHS border security mission requires military-unique capabilities, but because the existing statutory authority for non-reimbursable DoD support does not authorize contracted support. Examples of DoD assistance provided pursuant to section 1059, since such assistance began in November 2018, include engineering; medical; ground and air transportation; meal preparation and distribution; welfare check; mobile surveillance camera operations; remote video detection and camera monitoring; and information analysis. Contracted personnel may provide such support at a lower cost and with a lower impact on military training, operations, readiness, and other military requirements.

The proposal would also make a technical revision to correct the name of U.S. Customs and Border Protection.

Resource Information: The table below reflects the best estimate of resources requested within the Fiscal Year (FY) 2025 President's Budget that are impacted by this proposal.

RESOURCE REQUIREMENTS ($MILLIONS)									
	FY 2025	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**	**Program Element**
Military Personnel, Army	$259.7	$268.4	$277.4	$286.7	$296.3	MILPERS, Army	01/02	N/A	N/A
Operation and Maintenance, Army	256.3	264.9	273.8	283	292.5	O&M, Army	100	N/A	N/A
Total	$516	$533.3	$551.2	$569.7	$588.8				

Note 1: The estimate above uses the cost of DoD support in FY 2023 as a baseline and then factors in the current rate of inflation across the FYDP. The actual amounts will depend on the

evolving situation at the southern border of the United States and any gaps in DHS capability or capacity.

Note 2: The estimate above reflects the cost of support provided by military personnel. The cost of support provided by contracted personnel would be less.

Changes to Existing Law: This proposal would make the following changes to section 1059 of the National Defense Authorization Act for Fiscal Year 2016 (10 U.S.C. 284 note; Public Law 114-92):

SEC. 1059. DEPARTMENT OF DEFENSE AUTHORITY TO PROVIDE ASSISTANCE TO SECURE THE SOUTHERN LAND BORDER OF THE UNITED STATES.

(a) AUTHORITY.—

(1) PROVISION OF ASSISTANCE.—

(A) IN GENERAL.—The Secretary of Defense may provide assistance to ~~United States~~ U.S. Customs and Border Protection for purposes of increasing ongoing efforts to secure the southern land border of the United States in accordance with the requirements of this section.

(B) REQUIREMENTS.—If the Secretary provides assistance under subparagraph (A), the Secretary shall ensure that the provision of the assistance will not negatively affect military training, operations, readiness, or other military requirements.

(2) CONTRACT AUTHORITY.—In providing assistance to U.S. Customs and Border Protection under paragraph (1), the Secretary may acquire by contract for the purposes of such assistance the following services:

(A) Detection and monitoring.

(B) Warehousing and logistical supply chain.

(C) Transportation.

(C) Vehicle maintenance.

(D) Training other than lead or primary instructor.

(E) Intelligence analysis.

(F) Linguist.

(G) Data entry.

(H) Aviation.

~~(2)~~(3) NOTIFICATION REQUIREMENT.—Not later than 7 days after the date on which the Secretary approves a request for assistance from the Department of Homeland Security under paragraph (1), the Secretary shall electronically transmit to the Committee on Armed Services of the Senate and the Committee on Armed Services and the Committee on Homeland Security of the House of Representatives notice of such approval.

* * * * *

SEC. ___. AVAILABILITY OF FUNDS FOR BUILDING CAPACITY OF FOREIGN SECURITY FORCES.

Paragraph (2) of section 333(g) of title 10, United States Code, is amended to read as follows:

"(2) AVAILABILITY OF FUNDS FOR PROGRAMS ACROSS FISCAL YEARS.—Amounts available in a fiscal year to carry out the authority in subsection (a) may be used for programs under that authority that begin in such fiscal year and end not later than the end of the third fiscal year thereafter.".

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

This proposal would extend the length of the bona fide need exception for programs under section 333 from two to three years. By extending the period of the cross-fiscal year authority (CFYA) for one additional year, the increased CFYA duration provides additional time for the Department of Defense (DoD) to complete a notified section 333 program even if DoD encounters unanticipated delay in equipment deliveries.

FOC is of extremely limited practical use to the Department because DoD is rarely able to satisfy the prerequisite condition of delivering equipment by the end of the second fiscal year of a program. Due to the lengthy execution timeline of a section 333 program, including the time needed to requisition, procure, and manufacture the equipment, equipment delivery typically occurs in the third fiscal year. Even when equipment could be shipped before the end of the second fiscal year of a program, transportation delays would still frustrate the ability to use FOC, which requires that *delivery* take place before the end of the second fiscal year. Due to these practical challenges, the Department's planned execution timeline for section 333 programs typically will not use FOC. Out of more than 200 section 333 programs notified in fiscal year (FY) 2022, only two programs planned to use FOC as part of their program design. All other programs were planned utilizing CFYA.

This proposal increases the duration of CFYA to allow adequate time for providing training and other complimentary support to partner nations by extending the general cross fiscal year authority from two to three years. This supports the congressional intent of ensuring that DoD is able to deliver section 333 programs with less reliance on future year appropriations to provide training, maintenance, and sustainment. Less reliance on future year appropriations reduces end of year reallocation of funds and duplicative congressional notifications.

The proposal would not extend the period of availability of the funds. DoD would still need to obligate funding within the appropriation's enacted period of availability.

Resource Information: The table below reflects resources requested within the Fiscal Year (FY) 2025 President's Budget that are used to execute programs under title 10 USC 333, *Capacity Building*, authority and other security cooperation authorities. Other security cooperation authorities include sections 332, *Institution capacity building*, and 335, *Certain expenses to support the United States-Colombia Action*, of title 10 USC and sections 1208, *Support of Special Operations to Combat Terrorism*, and 1263, *Indo-Pacific Maritime Security Initiative*, of the FY 2005 NDAA and FY 2016 FY NDAAs. The proposal would require zero additional resources.

RESOURCE REQUIREMENTS ($ MILLIONS)									
	FY 2025	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**	**Program Element**
International Security Cooperation Programs Account	$1,341	$1,308	$1,339	$1,366	$1,394	Operation and Maintenance, Defense Wide	04	4GTD	1002201T
Total	$1,341	$1,308	$1,339	$1,366	$1,394	N/A	N/A	N/A	N/A

Changes to Existing Law: This proposal would make the following changes to section 333 of title 10, United States Code:

§ 333. Foreign security forces: authority to build capacity

(a) AUTHORITY.—The Secretary of Defense is authorized to conduct or support a program or programs to provide training and equipment to the national security forces of one or more foreign countries for the purpose of building the capacity of such forces to conduct one or more of the following:

(1) Counterterrorism operations.
(2) Counter-weapons of mass destruction operations.
(3) Counter-illicit drug trafficking operations.
(4) Counter-transnational organized crime operations.
(5) Maritime and border security operations.
(6) Military intelligence operations.
(7) Air domain awareness operations.
(8) Operations or activities that contribute to an existing international coalition operation that is determined by the Secretary to be in the national interest of the United States.
(9) Cyberspace security and defensive cyberspace operations.

* * * * *

(g) FUNDING.—

(1) SOLE SOURCE OF FUNDS.—Amounts for programs carried out pursuant to subsection (a) in a fiscal year, and for other purposes in connection with such programs as authorized by this section, may be derived only from amounts authorized to be appropriated for such fiscal year for the Department of Defense for operation and maintenance, Defense-wide, and available for the Defense Security Cooperation Agency for such programs and purposes.

(2) AVAILABILITY OF FUNDS FOR PROGRAMS ACROSS FISCAL YEARS.—Amounts available in a fiscal year to carry out the authority in subsection (a) may be used for programs under that authority that begin in such fiscal year and end not later than the end of the third fiscal year thereafter.

~~(2) AVAILABILITY OF FUNDS FOR PROGRAMS ACROSS FISCAL YEARS.—~~

~~(A) IN GENERAL.—Amounts available in a fiscal year to carry out the authority in subsection (a) may be used for programs under that authority that begin in such fiscal year and end not later than the end of the second fiscal year thereafter.~~

~~(B) ACHIEVEMENT OF FULL OPERATIONAL CAPACITY.—If, in accordance with subparagraph (A), equipment or training is delivered under a program under the authority in subsection (a) in the fiscal year after the fiscal year in which the program begins, amounts for defense articles, training, defense services, supplies (including consumables), and small-scale construction associated with such equipment or training and necessary to ensure that the recipient unit achieves full operational capability for such equipment or training may be used in the fiscal year in which the foreign country takes receipt of such equipment and in the next two fiscal years.~~

* * * * *

SEC. ___. INCREASE IN ELIGIBILITY AND PAYMENT THRESHOLDS FOR BASIC NEEDS ALLOWANCE.

Section 402b of title 37, United States Code, is amended—

(1) in subsection (b)(2)—

(A) by striking subparagraph (B);

(B) by striking "(2)(A)" and inserting "(2)";

(C) by striking "150 percent" and inserting "200 percent"; and

(D) by striking "or" at the end and inserting "and"; and

(2) in subsection (c)(1)(A), by striking "150 percent (or, in the case of a member described in subsection (b)(2)(B), 200 percent)" and inserting "200 percent".

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

This proposal would increase the eligibility and payment thresholds for the basic needs allowance (BNA) for members on Active Duty in the Armed Forces from 150 percent to 200 percent of the Federal Poverty Guidelines (FPG).

BNA is a supplemental allowance paid to members whose gross household income falls below a specific multiple of the FPG, as published by the Department of Health and Human Services annually. At the current multiple of 150 percent of the FPG, the Department estimates that as many as 2,470 members could be eligible for BNA. This projected number of eligible BNA beneficiaries may not fully capture the population in need across the military given that the Department of Agriculture estimated that in 2019, there were 22,000 active-duty Service members in households that received Supplemental Nutrition Assistance Program (SNAP) benefits.

This proposal would increase the eligibility multiple from 150 percent to 200 percent of the FPG. This would increase the number of potentially eligible members to 29,550 and the proposal would cost $245 million in FY 2025. This approach, while increasing the number of potentially eligible members, would maintain the integrity of the military compensation package by recognizing BAH as a form of a member's earned compensation. If all Service members who would be eligible under this increased income eligibility ceiling were to apply for BNA, there should be no need for any Service member to rely on SNAP, and BNA would reach Service members and eligible dependents with the greatest need.

Resource Information: The table below reflects the best estimate of resources requested within the Fiscal Year (FY) 2025 President's Budget that are impacted by this proposal.

RESOURCE IMPACT ($MILLIONS)									
Program	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**Appropriation**	**Budget Activity**	**BLI/SAG**	**Program Element (for all RDT&E programs)**
Military Personnel, Army	2	2	2	2	2	2010A	01		
Military Personnel, Army	126	130	133	137	141	2010A	02		
Reserve Personnel, Army	2	3	3	3	3	2070A	01		
National Guard Personnel, Army	7	8	8	8	8	2060A	01		
Military Personnel, Navy	1	1	1	1	1	1453N	01		
Military Personnel, Navy	43	44	46	47	48	1453N	02		
Reserve Personnel, Navy	2	2	2	3	3	1405N	01		
Military Personnel, Marine Corps	0	0	0	0	0	1105N	01		
Military Personnel, Marine Corps	8	8	8	8	9	1105N	02		
Reserve Personnel, Marine Corps	1	1	1	1	1	1108N	01		
Military Personnel, Air Force	0	0	0	0	0	3500F	01		
Military Personnel, Air Force	40	41	42	43	44	3500F	02		
Military Personnel, Space Force	2	2	2	2	2	3510F	02		
Reserve Personnel, Air Force	2	2	2	2	2	3700F	01		
National Guard Personnel, Air Force	8	8	9	9	9	3850F	01		
Total	245	252	260	267	275				

Changes to Existing Law: This proposal would amend section 402b of title 37, United States Code, as follows:

§ 402b. Basic needs allowance for members on active service in the Armed Forces

(a) ALLOWANCE REQUIRED.—The Secretary concerned shall pay to each member who is eligible under subsection (b) a basic needs allowance in the amount determined for such member under subsection (c).

(b) Eligible Members.—A member on active service in the armed forces is eligible for the allowance under subsection (a) if—

(1) the member has completed initial entry training;

(2)~~(A)~~ the gross household income of the member during the most recent calendar year did not exceed an amount equal to ~~150~~ 200 percent of the Federal poverty guidelines of the Department of Health and Human Services for the location of the member and the number of individuals in the household of the member for such year; ~~or~~ and

~~(B) if the Secretary concerned determines it appropriate (based on location, household need, or special circumstance), the gross household income of the member during the most recent calendar year did not exceed an amount equal to 200 percent of the Federal poverty guidelines of the Department of Health and Human Services for the location of the member and the number of individuals in the household of the member for such year; and~~

(3) the member—

(A) is not ineligible for the allowance under subsection (d); and

(B) does not elect under subsection (g) not to receive the allowance.

(c) AMOUNT OF ALLOWANCE.—The amount of the monthly allowance payable to a member under subsection (a) shall be the amount equal to—

(1)(A) ~~150~~ 200 percent ~~(or, in the case of a member described in subsection (b)(2)(B), 200 percent)~~ of the Federal poverty guidelines of the Department of Health and Human Services for the calendar year during which the allowance is paid based on the location of the member and the number of individuals in the household of the member during the month for which the allowance is paid; minus

(B) the gross household income of the member during the preceding calendar year; divided by

(2) 12.

(d) BASES OF INELIGIBILITY.—

(1) IN GENERAL.—The following members are ineligible for the allowance under subsection (a):

(A) A member who does not have any dependents.

(B) A cadet at the United States Military Academy, the United States Air Force Academy, or the Coast Guard Academy, a midshipman at the United States Naval Academy, or a cadet or midshipman serving elsewhere in the armed forces.

(2) HOUSEHOLD WITH MORE THAN ONE ELIGIBLE MEMBER.—In the event a household contains two or more members determined under subsection (f) to be eligible to receive the allowance under subsection (a), only one allowance may be paid to a member among such members as such members shall jointly elect.

(3) AUTOMATIC INELIGIBILITY OF MEMBERS RECEIVING CERTAIN PAY INCREASES.—A member determined to be eligible under subsection (f) for the allowance under subsection (a) whose monthly gross household income increases as a result of a promotion or other permanent increase to pay or allowances under this title to an amount that, on an annualized basis, would exceed the amount described in subsection (b)(2) is ineligible for the allowance. If such member is receiving the allowance, payment of the

allowance shall automatically terminate within a reasonable time, as determined by the Secretary of Defense in regulations prescribed under subsection (j).

(4) INELIGIBILITY OF CERTAIN CHANGES IN INCOME.—A member whose gross household income for the preceding year decreases because of a fine, forfeiture, or reduction in rank imposed as a part of disciplinary action or an action under chapter 47 of title 10 (the Uniform Code of Military Justice) is not eligible for the allowance under subsection (a) solely as a result of the fine, forfeiture, or reduction in rank.

(e) APPLICATION BY MEMBERS SEEKING ALLOWANCE.—

(1) IN GENERAL.—A member who seeks to receive the allowance under subsection (a) shall submit to the Secretary concerned an application for the allowance that includes such information as the Secretary may require in order to determine whether or not the member is eligible to receive the allowance.

(2) TIMING OF SUBMISSION.—A member who receives the allowance under subsection (a) and seeks to continue to receive the allowance shall submit to the Secretary concerned an updated application under paragraph (1) at such times as the Secretary may require, but not less frequently than annually.

(3) VOLUNTARY SUBMISSION.—The submission of an application under paragraph (1) is voluntary.

(4) SCREENING OF MEMBERS FOR ELIGIBILITY.—The Secretary of Defense shall—

(A) ensure that all members of the armed forces are screened during initial entry training and regularly thereafter for eligibility for the allowance under subsection (a); and

(B) notify any member so screened who may be eligible that the member may apply for the allowance by submitting an application under paragraph (1).

(f) DETERMINATIONS OF ELIGIBILITY.—

(1) IN GENERAL.—The Secretary concerned shall—

(A) determine which members of the armed forces are eligible under subsection (b); and

(B) notify each such member, in writing, of that determination.

(2) INFORMATION INCLUDED IN NOTICE.—The notice under paragraph (1) shall include information regarding financial management and assistance programs for which the member may be eligible.

(g) ELECTION NOT TO RECEIVE ALLOWANCE.—

(1) IN GENERAL.—A member determined under subsection (f) to be eligible for the allowance under subsection (a) may elect, in writing, not to receive the allowance.

(2) DEEMED INELIGIBLE.—A member who does not submit an application under subsection (e) within a reasonable time (as determined by the Secretary concerned) shall be deemed ineligible for the allowance under subsection (a).

(h) SPECIAL RULE FOR MEMBERS STATIONED OUTSIDE UNITED STATES.—In the case of a member assigned to a duty location outside the United States, the Secretary concerned shall make the calculations described in subsections (b)(2) and (c)(1) using the Federal poverty guidelines of the Department of Health and Human Services for the continental United States.

(i) REGULATIONS.—Not later than one year after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2022, the Secretary of Defense shall prescribe regulations for the administration of this section.

(j) EFFECTIVE PERIOD.—

(1) IMPLEMENTATION PERIOD.—The allowance under subsection (a) is payable for months beginning on or after the date that is one year after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2022.

(2) TERMINATION.—The allowance under subsection (a) may not be paid for any month beginning after December 31, 2027.

(k) DEFINITIONS.—In this section:

(1) GROSS HOUSEHOLD INCOME.—The term "gross household income", with respect to a member of the armed forces, includes—

(A) all household income, derived from any source; minus

(B) in the case of a member whom the Secretary concerned determines resides in an area with a high cost of living or that has an otherwise demonstrated need, any portion of the basic allowance for housing under section 403 of this title that the Secretary concerned elects to exclude.

(2) HOUSEHOLD.—The term "household" means a member of the armed forces and any dependents of the member enrolled in the Defense Enrollment Eligibility Reporting System, regardless of the location of those dependents.

SEC. ___. CODIFICATION OF AND REVISIONS TO AUTHORITY FOR JOINT TASK FORCES OF THE DEPARTMENT OF DEFENSE TO SUPPORT LAW ENFORCEMENT AGENCIES OR FEDERAL AGENCIES CONDUCTING COUNTERTERRORISM AND COUNTER TRANSNATIONAL ORGANIZED CRIME ACTIVITIES.

(a) CODIFICATION IN TITLE 10.—Chapter 15 of title 10, United States Code, is amended by adding at the end a new section consisting of—

(1) a heading as follows:

"**§ 285. Authority for joint task forces to support law enforcement agencies or other Federal departments and agencies conducting counterterrorism and counter transnational organized crime activities**"; and

(2) a text consisting of the text of section 1022 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136; 10 U.S.C. 271 note).

(b) REVISIONS.—Section 285 of title 10, United States Code, as added by subsection (a) of this section, is amended—

(1) in subsection (a), by inserting "or to another department or agency of the Federal Government" after "law enforcement agencies" each place it appears;

(2) in subsection (b), by striking "During fiscal years 2006 through 2027, funds for drug interdiction" and inserting "Funds for drug interdiction";

(3) by striking subsection (c);

(4) by redesignating subsection (d) as subsection (c);

(5) in subsection (c), as redesignated by paragraph (4) of this subsection, by adding at the end the following new paragraph:

"(3) The Secretary of Defense may only provide support for counter-terrorism or counter-transnational organized crime activities under subsection (a) to a foreign law enforcement agency with the concurrence of the Secretary of State.";

(6) by inserting after subsection (c) the following new subsection:

"(d) RELATIONSHIP TO OTHER SUPPORT AUTHORITIES.—(1) The authority provided in this section to provide support to law enforcement agencies or to another department or agency of the Federal Government conducting counter-terrorism activities or counter-transnational organized crime activities is in addition to, and except as provided in paragraph (2), not subject to the other requirements of this chapter.

"(2) Support under this section shall be subject to the provisions of section 275 and section 276 of this title."; and

(7) in paragraph (1) of subsection (e), by striking "title 10, United States Code" and inserting "this title".

(c) REPEAL OF SUPERSEDED AUTHORITY.—Section 1022 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136; 10 U.S.C. 271 note) is repealed.

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

This proposal would codify and make permanent the authorities provided in section 1022 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2004 (Public Law 108-136; 10 U.S.C. 271 note) (referred to as "section 1022"). For over fifteen years, section 1022 has provided the Department of Defense (DoD) the authority to use funds from the drug interdiction and counter-drug activities account to enable joint task forces that support law enforcement agencies conducting counter-drug activities to also provide support to law enforcement agencies conducting counter-terrorism or counter-transnational organized crime activities. In the NDAA for FY 2015, section 1022 was amended to also authorize support to law enforcement agencies conducting counter-transnational organized crime activities. Since section 1022 was first

enacted in FY 2004, the authority has been reauthorized ten times. The most recent reauthorization is set to expire at the end of FY 2027.

Section 1022 has been essential in authorizing DoD analytical support to help disrupt the financial resources of terrorists and transnational criminal organizations, and other threat networks that derive revenue from illicit trafficking. Details of support authorized under section 1022 have been reported to Congress annually through a classified report. Section 1022(d) requires that counterterrorism or counter-transnational organized crime activities must "relate significantly" to counterdrug objectives, unless the Secretary issues a waiver that providing such support is "vital to the national security interests of the United States." This provision allows DoD to support the most critical national security requirements, while preserving the integrity of the counterdrug appropriation for activities to disrupt the flow of cocaine, heroin, and other dangerous drugs and precursor chemicals bound for the United States. Codifying section 1022 would facilitate long-term planning and budgeting, and would enhance the efforts of the Combatant Commanders to confront the persistent national security threat posed to the United States and our allies and partners by the nexus among drug trafficking, terrorism, and other forms of transnational organized crime.

In addition, this proposal would amend the authority to authorize DoD joint task forces to provide support for the counterterrorism or counter-transnational organized crime activities of not only law enforcement agencies, but also of any other department or agency of the Federal Government. This revision would conform the newly codified section 285 authority with section 284 of title 10, U.S. Code, which allows for DoD to provide support for the counterdrug activities or activities to counter transnational organized crime "of any other department or agency of the Federal Government."

Resource Information: This proposal has no impact on the use of resources requested within the Fiscal Year (FY) 2025 President's Budget.

Changes to Existing Law: This proposal would transfer the text of section 1022 of the National Defense Authorization Act for Fiscal Year 2004 into a new section 285 of title 10, United States Code, and amend such section as follows:

~~SEC. 1022. AUTHORITY FOR JOINT TASK FORCES TO PROVIDE SUPPORT TO LAW ENFORCEMENT AGENCIES CONDUCTING COUNTER-TERRORISM ACTIVITIES.~~

§ 285. Authority for joint task forces to support law enforcement agencies or other Federal agencies conducting counterterrorism and counter transnational organized crime activities

(a) AUTHORITY.—A joint task force of the Department of Defense that provides support to law enforcement agencies or to another department or agency of the Federal Government conducting counter-drug activities may also provide, subject to all applicable laws and regulations, support to law enforcement agencies or to another department or agency of the Federal Government conducting counter-terrorism activities or counter-transnational organized

crime activities.

(b) AVAILABILITY OF FUNDS.—~~During fiscal years 2006 through 2027, funds~~ Funds for drug interdiction and counter-drug activities that are available to a joint task force to support counter-drug activities may also be used to provide the counter-terrorism or counter-transnational organized crime support authorized by subsection (a).

~~(c) ANNUAL REPORT.—Not later than December 31 of each year in which the authority in subsection (a) is in effect, the Secretary of Defense shall submit to the congressional defense committees a report setting forth, for the one-year period ending on the date of such report, the following:~~

~~(1) An assessment of the effect on counter-drug, counter-transnational organized crime, and counter-terrorism activities and objectives of using counter-drug funds of a joint task force to provide counter-terrorism or counter-transnational organized crime support authorized by subsection (a).~~

~~(2) A description of the type of support and any recipient of support provided under subsection (a), and a description of the objectives of such support.~~

~~(3) A list of current joint task forces exercising the authority under subsection (a).~~

~~(4) A certification by the Secretary of Defense that any support provided under subsection (a) during such one-year period was provided in compliance with the requirements of subsection (d).~~

(~~d~~c) CONDITIONS.—(1) Support for counter-terrorism or counter-transnational organized crime activities provided under subsection (a) may only be provided if the Secretary of Defense determines that the objectives of using the counter-drug funds of any joint task force to provide such support relate significantly to the objectives of providing support for counter-drug activities by that joint task force or any other joint task force.

(2) The Secretary of Defense may waive the requirements of paragraph (1) if the Secretary determines that such a waiver is vital to the national security interests of the United States. The Secretary shall promptly submit to the congressional defense committees notice in writing of any waiver issued under this subparagraph, together with a description of the vital national security interests associated with the support covered by such waiver.

(3) The Secretary of Defense may only provide support for counter-terrorism or counter-transnational organized crime activities under subsection (a) to a foreign law enforcement agency with the concurrence of the Secretary of State.

(d) RELATIONSHIP TO OTHER SUPPORT AUTHORITIES.—(1) The authority provided in this section to provide support to law enforcement agencies or to another department or agency of the Federal Government conducting counter-terrorism activities or counter-transnational organized crime activities is in addition to, and except as provided in paragraph (2), not subject to the other requirements of this chapter.

(2) Support under this section shall be subject to the provisions of section 275 and section 276 of this title.

(e) DEFINITIONS.—(1) In this section, the term "transnational organized crime" has the meaning given such term in section 284(i) of ~~title 10, United States Code~~ this title.

(2) For purposes of applying the definition of transnational organized crime under paragraph (1) to this section, the term “illegal means”, as it appears in such definition, includes the trafficking of money, human trafficking, illicit financial flows, illegal trade in natural resources and wildlife, trade in illegal drugs and weapons, and other forms of illegal means determined by the Secretary of Defense.

SEC. ___. EXTENSION OF MORATORIUM ON OIL AND GAS LEASING IN DESIGNATED PARTS OF THE GULF OF MEXICO.

Section 104(a) of the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1331 note) is amended by striking "June 30, 2022" and inserting "June 30, 2039".

Section-by-Section Analysis

This proposal would amend the Gulf of Mexico Energy Security Act of 2006 (1) to reinstate the moratorium on oil and gas leasing in certain areas of the Gulf of Mexico as a statutory moratorium, and (2) to extend the moratorium through June 30, 2039.

The proposal would extend the termination date for the existing moratorium on oil and gas leasing in certain areas of the Gulf of Mexico to June 30, 2039. The existing moratorium, in effect since the enactment of the Gulf of Mexico Energy Security Act of 2006 on December 20, 2006, has proven successful in protecting the eastern Gulf of Mexico for military training and testing purposes, and the area is required for future testing and training. Although the statutory moratorium expired on June 30, 2022, the moratorium has been extended to June 30, 2032, by Presidential Memorandum for the Secretary of the Interior issued on Sept. 8, 2020; however, there is currently no statutory protection for the military missions in the eastern Gulf of Mexico. This proposal would renew the moratorium as a statutory moratorium and extend the current moratorium for an additional seven years, through June 30, 2039.

Access to the eastern Gulf of Mexico is crucial for DoD to develop and maintain readiness of our combat forces and is critical to achieving the objectives contained in the National Defense Strategy. The region's unique testing and training capabilities have been developed over decades through the investment of billions of tax dollars. No other area in the world provides the U.S. military with ready access to a highly instrumented, network-connected, surrogate environment for military operations in the Northern Arabian Gulf and Indo-Pacific Theater.

DoD operations east of the Military Mission Line (MML) directly support the development and operation of new technologies—e.g., autonomous systems, directed energy, and hypersonics. The area east of the MML provides approximately 101,000 square miles of surface and airspace, making it the largest over-water DoD test and training area in the continental United States.

Missions that utilize the eastern Gulf of Mexico include support for joint urgent operational needs solutions; advanced concept technology demonstrations; research, development, and engineering activity; special operations training; air-to-air and air-to-ground (surface) missile testing, including the use of drone targets; high-altitude supersonic air combat maneuver training; large force exercises; vessel evaluations; air, surface, and sub-surface mine warfare testing and training; explosive ordnance disposal training; amphibious and expeditionary maneuver warfare systems development; and electronic warfare. These missions directly support

part of the DoD Major Range and Test Facility Base at Eglin Air Force Base, and the testing and training missions supporting Naval Surface Warfare Center Panama City, Tyndall Air Force Base, MacDill Air Force Base, and Naval Air Station Key West.

Resource Information: This proposal has no impact on the use of resources requested within the Fiscal Year (FY) 2025 President's Budget.

Changes to Existing Law: This proposal would amend section 104(a) of the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1331 note) as follows:

Gulf of Mexico Energy Security Act of 2006

SEC. 102. DEFINITIONS.

In this title:

(1) 181 AREA.—The term "181 Area" means the area identified in map 15, page 58, of the Proposed Final Outer Continental Shelf Oil and Gas Leasing Program for 1997–2002, dated August 1996, of the Minerals Management Service, available in the Office of the Director of the Minerals Management Service, excluding the area offered in OCS Lease Sale 181, held on December 5, 2001.

(2) ***

(3) ***

(4) CENTRAL PLANNING AREA.—The term "Central Planning Area" means the Central Gulf of Mexico Planning Area of the outer Continental Shelf, as designated in the document entitled "Draft Proposed Program Outer Continental Shelf Oil and Gas Leasing Program 2007–2012", dated February 2006.

(5) EASTERN PLANNING AREA.—The term "Eastern Planning Area" means the Eastern Gulf of Mexico Planning Area of the outer Continental Shelf, as designated in the document entitled "Draft Proposed Program Outer Continental Shelf Oil and Gas Leasing Program 2007–2012", dated February 2006.

(6) ***

(7) ***

(8) MILITARY MISSION LINE.—The term "Military Mission Line" means the north-south line at 86°41′ W. longitude.

(9) ***

(10) ***

(11) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

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SEC. 104. MORATORIUM ON OIL AND GAS LEASING IN CERTAIN AREAS OF GULF OF MEXICO.

(a) IN GENERAL.—Effective during the period beginning on the date of enactment of this Act [Dec. 20, 2006] and ending on June 30, ~~2022~~ 2039, the Secretary shall not offer for leasing, preleasing, or any related activity—

(1) any area east of the Military Mission Line in the Gulf of Mexico;

(2) any area in the Eastern Planning Area that is within 125 miles of the coastline of the State of Florida; or

(3) any area in the Central Planning Area that is—

(A) within—

(i) the 181 Area; and

(ii) 100 miles of the coastline of the State of Florida; or

(B)(i) outside the 181 Area;

(ii) east of the western edge of the Pensacola Official Protraction Diagram (UTM X coordinate 1,393,920 (NAD 27 feet)); and

(iii) within 100 miles of the coastline of the State of Florida.

(b) MILITARY MISSION LINE.—Notwithstanding subsection (a), the United States reserves the right to designate by and through the Secretary of Defense, with the approval of the President, national defense areas on the outer Continental Shelf pursuant to section 12(d) of the Outer Continental Shelf Lands Act (43 U.S.C. 1341(d)).

(c) EXCHANGE OF CERTAIN LEASES.—***

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SEC. _____. IMPROVEMENT IN ACCESS TO MENTAL HEALTH PROFESSIONALS WITHIN DEFENSE HEALTH SYSTEM.

Section 523(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(10) Officers who are licensed mental health clinicians, including clinical psychologists, licensed clinical social workers, mental health nurse practitioners, or psychiatric physician assistants.".

Section-by-Section Analysis

This proposal would amend section 523 of title 10, United States Code, allowing the Department of Defense (DoD) to extend the exclusion in computing authorized end strength to licensed mental health clinicians.

Licensed mental health clinicians include psychiatrists, clinical psychologists, licensed clinical social workers, mental health nurse practitioners, and psychiatric physician assistants. Each of these specialists has a unique job code (i.e., AFSC, MOS, Rating) that is specific to mental health in their respective services. Per the Defense Health Agency (2022 Behavioral health Encounter Target Guidance), each of these types of providers are expected to see between 920 and 1,550 patients annually.

Psychiatrists (physicians who are members of the medical corps) are already exempt from Defense Officer Personnel Management Act (DOPMA) constraints. The exclusion was designed to enable physicians to focus on delivering health care to service members and still be competitive for promotion and thus retention. The other licensed behavioral health providers, who are members of the biomedical science corps (BSC) and the nursing corps (NC), are under DOPMA constraints starting with the rank of O-4. This requires them to engage in leadership activities outside of the clinic, decreasing their ability to deliver care by as much as 50 percent. However, the "distraction" of providing clinical mental health care to service members still negatively impacts their promotion rates. For example, in the Department of the Air Force, licensed mental health clinicians in the BSC have a promotion rate of 85% to O-4 as compared to 95% for the rest of the BSCs, 25% to O-5 as compared 60%, and 20% to O-6 as compared to 40%.

Having some licensed behavioral health providers not under DOPMA constraints (psychiatrists) while others are under promotion constraints also sets up a dichotomy of who is afforded leadership opportunities. The non-psychiatrists must lead, attend professional military education, and engage in career broadening experiences to promote. The psychiatrists, who don't "need" these opportunities, remain in the clinic. This further undermines the development of leaders in military behavioral health – a critical need to ensuring the delivery of high-quality mental health care to our service members.

The inability to promote and the inability to lead results in poor retention for all licensed mental health clinicians. Retaining highly trained and experienced licensed military mental health clinicians is far superior in cost and quality to the constant requirement to assess new and inexperienced licensed mental health clinicians. Experienced licensed mental health clinicians are best suited to managing complex suicide risk, engaging commanders in prevention efforts, supporting operations in a great power competition, and treating post-traumatic stress disorder and traumatic brain injury. Making matters worse, there are national shortages of all licensed mental health clinicians – hindering the Services' ability to find new clinicians.

The cost of adding these other licensed behavioral health providers is anticipated to be small. The savings associated with a reduced need to recruit and train new licensed mental health clinicians would offset most of the costs associated with increased promotion rates. Furthermore, the number of potential promotions is small. Currently, excluding psychiatry, the total number of field grade officer (O4-O6) licensed behavioral health providers authorizations in the Department of the Air Force is 287. Reduction in the differences in promotion rates described previously would result in 75 additional field grade promotions in the next ten years.

Financial incentives are unlikely to produce the same results as removing DOPMA constraints. The recently submitted report to Congress, 18 Nov 22 – Military Health Service Compensation, describes the complexity and effectiveness of the financial incentive landscape impacting recruiting and retaining mental health workers. The report concludes that increasing monetary compensation is limited by certain statutory requirements, and other non-monetary measures must also be considered. Section 612 of the William M. (Mac) Thornberry NDAA for FY 2021 increased the limits for Accession Bonus (AB) to $100k, for Critically Short Wartime Specialties Accession Bonus (CSWSAB) to $200k, Retention Bonus (RB) to $150k, Incentive Pay (IP) for medical and dental officers and other health professionals to $200k and $50k, respectively, and Board Certification Pay (BCP) to $15k. Licensed mental health clinicians already have some of the highest Biomedical Service Corps AB, RB and IP rates. Unfortunately, these have done little to retain them. Also, financial incentives, while important, do not address the previously described dichotomy and tension of clinical practice and leadership progression. Therefore, it is reasonable to conclude that despite already large monetary incentives for licensed mental health clinicians, amending DOPMA is fiscally conservative, will improve retention/career progression, and enhance time spent in clinical care.

Resource Information: This proposal has no impact on the use of resources requested within the Fiscal Year (FY) 2025 President's Budget.

Changes to Existing Law: This proposal would amend sections 523 of title 10, United States Code as follows:

§523. Authorized strengths: commissioned officers on active duty in grades of major, lieutenant colonel, and colonel and Navy grades of lieutenant commander, commander, and captain

(a) ***

(b) Officers in the following categories shall be excluded in computing and determining authorized strengths under this section:

(1) Reserve officers-

(A) on active duty as authorized under section 115(a)(1)(B) or 115(b)(1) of this title, or excluded from counting for active duty end strengths under section 115(i) of this title;

(B) on active duty under section 10211, 10302 through 10305, or 12402 of this title or under section 708 of title 32; or

(C) on full-time National Guard duty.

(2) General and flag officers.

(3) Medical officers.

(4) Dental officers.

(5) Warrant officers.

(6) Retired officers on active duty under a call or order to active duty for 180 days or less.

(7) Retired officers on active duty under section 10(b)(2) of the Military Selective Service Act (50 U.S.C. 3809(b)(2)) for the administration of the Selective Service System.

(8) Permanent professors of the United States Military Academy and the United States Air Force Academy and professors of the United States Naval Academy who are career military professors (as defined in regulations prescribed by the Secretary of the Navy), but not to exceed 50 from any such academy.

(9) Officers who are Senior Military Acquisition Advisors under section 1725 of this title, but not to exceed 15.

(10) Officers who are licensed mental health clinicians, including clinical psychologists, licensed clinical social workers, mental health nurse practitioners, or psychiatric physician assistants.

(c) Whenever the number of officers serving in any grade is less than the number authorized for that grade under this section, the difference between the two numbers may be applied to increase the number authorized under this section for any lower grade.

(d) An officer may not be reduced in grade, or have his pay or allowances reduced, because of a reduction in the number of commissioned officers authorized for his grade under this section.

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SEC. ___. IMPROVEMENTS TO TECHNOLOGY TRANSITION AUTHORITIES UNDER DEPARTMENT OF DEFENSE SBIR AND STTR PROGRAMS.

(a) PERMANENT AUTHORITY FOR SBIR/STTR PHASE III TECHNOLOGY TRANSITION AUTHORITIES; TECHNICAL CORRECTIONS.— Section 9(r) of the Small Business Act (15 U.S.C. 638(r)) is amended—

(1) in paragraph (2), by inserting ", grant, cooperative agreement, or other transaction or agreement, as well as any Federally funded subaward thereto at any tier," after "contract"; and

(2) by adding at the end the following new paragraph:

"(5) PERMANENT AUTHORITY.—The authorities and flexibilities in this section and in the Policy Directive issued under the authority of this section to make SBIR/STTR Phase III awards, to exercise the Phase III special acquisition preference, to provide Phase III intellectual property protections, and to carry out Phase III transition goals, incentives, and other Phase III support activities shall not be subject to any time limitation in subsections (m) and (n) on the execution authority for Small Business Innovation Research and Small Business Technology Transfer programs.".

(b) PARTICIPATION OF MILITARY RESEARCH AND EDUCATIONAL INSTITUTIONS IN STTR PROGRAM.—

(1) DEFINITION OF "RESEARCH INSTITUTION".—Section 9(e)(8) of the Small Business Act (15 U.S.C. 638(e)(8)) is amended by inserting after "thereto)" the following: ", as well as any undergraduate, graduate, or postgraduate degree-granting military research or educational institution established under title 10, United States Code".

(2) TECHNICAL AMENDMENTS TO UPDATE STATUTE CITATIONS.—Such section is further amended—

(A) by striking "section 4(5)" and inserting "section 4(3)";

(B) by inserting "(15 U.S.C. 3703(3))" after "of 1980"; and

(C) by striking "section 35(c)(1) of the Office of Federal Procurement Policy Act" and inserting "section 1303(a) of title 41, United States Code".

(c) EXPANSION OF AUTHORITY GOVERNING AVAILABILITY OF SUPPORT FOR SBIR/STTR PROGRAMS ADMINISTRATION AND DOD SMALL BUSINESS TECHNOLOGY TRANSITION.—

(1) INCREASED SOURCE OF FUNDS AVAILABLE FOR PROGRAMS ADMINISTRATION.—Section 9(mm)(1) of the Small Business Act (15 U.S.C. 638(mm)(1)) is amended in the matter preceding subparagraph (A) by inserting ", or SBIR and STTR programs," after "an SBIR program" both places it appears;

(2) INCREASED PERCENTAGE OF FUNDS AVAILABLE FOR COMMERCIALIZATION READINESS AND ADDITIONAL PHASE III SUPPORT.—Section 9(y)(4)(A) of the Small Business Act (15 U.S.C. 638(y)(4)(A)) is amended—

(A) by striking "1 percent" and inserting "2 percent"; and

(B) by inserting "and to carry out SBIR/STTR Phase III commercialization and transition programs, goals, and support activities in furtherance of the SBIR and STTR provisions of the small business strategy for the Department of Defense issued under section 4901 of title 10, United States Code, as updated pursuant to section 861(b) of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116-283; 10 U.S.C. 4901 note)" before the period.

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

This proposal would address key problems with Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) and related small business transition efforts identified in the Secretary of Defense's (SECDEF's) 2023 Department of Defense (DoD) Small Business Strategy: (1) instability due to lack of permanence, and (2) the need to align and strengthen these programs to ensure technological investments can be scaled into production.

In response to these problems, this proposal focuses on three support efforts: (1) permanent programmatic stability for Phase III of SBIR and STTR, (2) removing barriers to collaboration on research, development, testing, and evaluation (RDT&E) between military academia and small businesses in the STTR program; and (3) and programmatic resourcing for Phase III transition support in furtherance of the DoD Small Business Strategy.

The proposal's three subsections address three problem subsets with regard to SBIR/STTR. Although the proposal is framed using Department of the Air Force (DAF) illustrations, these problems affect the DoD broadly.

Problem subset (1) is lack of permanence for SBIR/STTR Phase III. As part of the Fiscal Year Fiscal Year (FY) 2022 SBIR/STTR reauthorization cycle, DAF Program Executive Offices (PEOs) and Major Commands/Field Commands (MAJCOMs/FLDCOMs) nearly lost the ability to continue transitioning SBIR/STTR technologies under Phase III contracts with $772,000,000 in annual obligations and $1,800,000,000 in contract value ceiling. Other DoD organizations faced similar challenges. According to the DoD Small Business Strategy:

> [O]ne of the most significant challenges with small business programs and related efforts is long-term planning. Instability makes it challenging for industry to make the investments needed to support defense priorities. It also makes it exceedingly difficult for the Department to engage in long-term planning for how to attract new entrants and provide defined contracting opportunities for small businesses looking to break into the defense marketplace. Examples include . . . SBIR and STTR programs [that] have been reauthorized numerous times since their creation, most recently in September 2022. However, these reauthorizations usually occur in the last year of the current authorization and are time-limited; the recent reauthorization lapses in 2025.

Problem subset (2) is barriers to participation in STTR by the Air Force Academy (USAFA), the Air Force Institute of Technology (AFIT), the Air University (AU), and other military educational institutions. The STTR statute, section 9(e) of the Small Business Act (15 U.S.C. 638(e)), creates barriers to advancing R&D that originated in Federal laboratories and military academia because Federal laboratories and military educational institutions do not currently qualify as "research institutions.".

Problem subset (3) is the resource gap in the DAF Small Business Programs (SAF/SB) function and other Offices of Small Business Programs (OSBPs) across the DoD for small business SBIR/STTR transition support called for in the 2023 DoD Small Business Strategy. This need for additional resources is confirmed in the Strategy's Implementation Plan and accompanying initial resource estimates which Congress required in section 861(b) of the FY2021 NDAA (Public Law 116–283). For instance, the DAF initial resource estimate for the Implementation Plan, as approved by the Chief of Staff of the Air Force (CSAF), the Vice Chief of Staff of the Air Force (VCSAF), the Chief of Space Operations (CSO), the Vice Chief of Space Operations (VCSO), and the Under Secretary of the Air Force (USecAF), shows a gap of 57 SAF/field Small Business workforce Full-Time Equivalent (FTE) positions (estimated approximately $9,500,000 million/year). Within that initial resource estimate, the minimum of approximately one-third of FTEs would need to be wholly dedicated to SBIR/STTR Phase III support, and most other FTEs would be involved in Phase III support at least partially. A subsequent resource estimate developed by SAF/SB projected the resource gap of 43 FTEs carrying out Phase III support-related efforts. Problem subset (3) also includes the resource gap between existing SBIR/STTR administrative fund authority and recent programmatic growth as well as an increase in Congressional and GAO process improvement requirements.

Subsections (a) through (c) of this proposal provide solutions to address problem subsets (1) through (3), respectively.

Subsection (a) of the proposal would amend section 9 of the Small Business Act (15 U.S.C. 638(r)) to permanently reauthorize SBIR/STTR Phase III acquisition authorities and, as a technical correction, clarify the Phase III coverage for various acquisition instruments. This solution addresses Problem subset (1).

Subsection (b) of the proposal would authorize STTR participation of USAFA, AFIT, and similar entities as qualified research institutions. This solution addresses Problem subset (2). This proposal removes a major barrier to the ability of the military departments and other Federal agencies to conduct R&D, technology transfer, and commercialization of technologies initially developed or tested within the Federal Government's research and academic institutions through the Small Business Technology Transfer (STTR) Program. The 2023 DoD Small Business Strategy states on pp. 13-14: "The Department's small business RDT&E efforts could be further enhanced by increasing integration between technology programs. For example, enhancing the ability of military academies and other research organizations to serve as research institution partners for small businesses under the STTR program would further align small business RDT&E with national defense."

Subsection (b) of the proposal would authorize degree-granting military research and educational academic institutions to partner and collaborate with small businesses in the STTR program (STTR) as qualified STTR Research Institutions. Under the current statutory definition in Section 9(e)(8) of the Small Business Act, only non-profit research institutions and Federally funded research and development centers (FFRDCs) can participate in the STTR Program. Government-owned laboratories do not qualify as either FFRDCs or non-profits. Accordingly, institutions such as the Air Force Academy (USAFA) and the Air Force Institute of Technology (AFIT) are unable to directly partner with small firms for STTR work on Air Force and Space

Force projects under current definition. As a result, a small business must negotiate agreements with at least two institutions, Federal and non-Federal, before being able to apply for STTR. This introduces delays and undue complexity into STTR before any awards are even made. Another effect of STTR ineligibility is preclusion of DoD academic institutions from employing Principal Investigators for STTR projects. This means that there is no direct way to make STTR awards for R&D concepts that originate in the military academia. Lastly, ineligibility for STTR can limit the ability of military academic institutions to make their facilities available to small businesses for testing and evaluation.

Subsection (b) of the proposal would also provide technical amendments to update certain statutory citations which, although displayed in title 15 of the U.S. Code, have not been made in the Small Business Act itself.

Subsection (c) of the proposal would expand the funding base for the current SBIR/STTR administrative funding authority in section 9(mm)(1) of the Small Business Act (15 U.S.C. 638(mm)(1)). This authority allows SBIR/STTR agencies to use up to 3 percent of SBIR program funds to fund SBIR/STTR program administration activities. In this proposal, subsection (c) would add STTR funds into the base of the administrative funding's assessment in section 638(mm)(1). Currently, 638(mm)(1) administrative funds are only assessed from SBIR program funds, but are used both for SBIR and STTR program administration.

Further, subsection (c) of this proposal would double from 1 percent of SBIR budget to 2 percent of SBIR budget the administrative fund for the DoD Commercialization Readiness Program (CRPs) in section 9(y)(4)(A) of the Small Business Act (15 U.S.C. 638(y)(4)(A)) and expand the scope of authorized administrative expenditures in that section to specifically cover the new, recently mandated SBIR/STTR Phase III duties and activities in furtherance of SBIR/STTR provisions of the DoD Small Business Strategy as approved by SECDEF and mandated by Congress in section 861(b) of FY2021 National Defense Authorization Act (Public Law 116–283). The statutory purpose of the CRP authority is to facilitate Phase III transition within the DoD and the Military Departments, which makes CRP administrative funding authority ideal for support of Phase III transition efforts. All of these solutions address problem subset (3).

The expansion of the funding base for the section 9(mm)(1) SBIR/STTR administrative fund and corresponding ability to assess 3 percent of STTR budget for SBIR/STTR program administration will allow DoD and the military departments to begin resourcing the substantial growth in SBIR/STTR funding, transactional volume, and Phase III transition support requirements since FY2016. This growth has been accompanied by GAO audits and Congressional direction in section 9(hh) of the Small Business Act (15 U.S.C. 638(hh)) to streamline, standardize, and improve SBIR/STTR processes (including Phase III).

Further, as noted in SECDEF's 2023 DoD Small Business Strategy and its Implementation Plan, the DoD and the Military Department have much work to do to enhance SBIR/STTR Phase III transitions, and that additional resources would be required to carry out these efforts. The Strategy observed that Congress and the SBA substantially expanded the statutory role of OSBPs in SBIR/STTR Phase III transition assistance. The Strategy also states:

"It is imperative that small business professionals continue to participate in acquisition strategy development and peer reviews when appropriate. This participation supports identification of commercialization opportunities in future procurements from programs such as SBIR [and] STTR . . .". The Strategy further indicates that DoD and Military Departments have not created Phase III transition goals required by section 9 of the Small Business Act (15 U.S.C. 638). In order to advance small business technology transition and comply with applicable law, the 2023 DoD Small Business Strategy's Implementation Plan on pages 8-9 identifies resource needs for Component OSBPs broadly as follows:

> "2.1.1. Develop and issue guidance and plans for orderly and deliberate implementation of goals, incentives, and reporting on small business participation in Research, Development, Test, and Evaluation (RDT&E) and transition to procurement / operations. Explore ways to increase use of Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) Phase III awards in DOD acquisition.
>
> - Responsible Organization(s): OUSD(R&E), DoD OSBP, and Component OSBPs
> - Estimated Resources: Existing personnel; additional personnel at OUSD(R&E) and Component OSBPs.
>
> "2.1.2. Develop policy, regulatory guidance, and management controls to assist small business professional participation early in acquisition strategy development to support identification of opportunities for small business programs and related efforts, such as . . . opportunities for SBIR/STTR phase III transition . . .
>
> - Responsible Organization(s): DoD OSBP, OUSD(R&E), Component OSBPs, DPC, DAU, Service Secretaries, and Directors of Defense Agencies.
> - Estimated Resources: Existing personnel; additional personnel at Component OSBPs."

Congress has not provided resources or resource-use authorities to specifically implement these expansions of OSBP Phase III duties in furtherance of the Strategy. SAF/SB estimates that OSBP functions will be unable to fully execute to the Strategy, Implementation Plan, and the statutory duties without authority to tap up to an estimated 1 percent of SBIR funds (or one-half of the proposed increase in the 638(y)(1) funding authority). The ability to use up to 1 percent of SBIR funds for SB functional support of SBIR/STTR transition is not an Air Force-only issue, but an issue of being able to execute to new statutory duties/requirements and SECDEF's 2023 DoD Small Business Strategy. If Congress provides the requisite funding authority, the newly placed ~20 to 40+ DAF Small Business Professionals would be able to carry out tasks such as: help with SBIR/STTR topic development with a view to Phase III; Phase III market research and reviews of acquisitions for Phase III opportunities; Phase III process standardization; application of Phase III goals and incentives; Phase III reporting; and Phase III training and outreach.

Subsection (c) is budget neutral, because SBIR and STTR program funds are assessed from RDT&E appropriations of Federal agencies. In the past 6 years, the annual DAF SBIR and STTR program budgets have experienced significant growth from approximately $400,000,000 to approximately $1,300,000,000. The DAF STTR budget alone has grown from approximately $46,000,000 in FY2016 to approximately $115,000,000 in FY2022. Although SBIR/STTR administrative funds and SBIR/STTR CRP administrative funds would not be available to fund a

few SBIR and/or STTR awards, more funding is expected to be available for awards every year due to program growth. Congress and industry have also expected that DoD and DAF will use some SBIR/STTR program funds for program support and improvement. Accordingly, on balance, there would be clear substantial benefit and no practical harm for industry or the programs from the ability to use an additional 1 percent of SBIR funds via a CRP administrative fund increase for Phase III activities such as OSBP support under the DoD Small Business Strategy and also to assess funds from the STTR program budget for SBIR/STTR administration.

Resource Information: This proposal has no impact on the use of resources requested within the Fiscal Year (FY) 2025 President's Budget.

Changes to Existing Law: This proposal would amend section 9 of the Small Business Act (15 U.S.C. 638) as follows:

SMALL BUSINESS ACT

SEC. 9. [15 U.S.C. 638] (a) ***

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(e) For the purpose of this section—

(1) ***

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(8) the term "research institution" means a nonprofit institution, as defined in section ~~4(5)~~ 4(3) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703(3)), and includes federally funded research and development centers, as identified by the National Scientific Foundation in accordance with the governmentwide Federal Acquisition Regulation issued in accordance with ~~section 35(c)(1) of the Office of Federal Procurement Policy Act~~ section 1303(a)(1) of title 41, United States Code (or any successor regulation thereto), as well as any undergraduate, graduate, or postgraduate degree-granting military research or educational institution established under title 10, United States Code;

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(r) PHASE III AGREEMENTS, COMPETITIVE PROCEDURES, AND JUSTIFICATION FOR AWARDS.—

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(2) DEFINITION.—In this subsection, the term "Phase III agreement" means a follow-on, non-SBIR or non-STTR funded contract, grant, cooperative agreement, or other transaction or agreement, as well as any Federally funded subaward thereto at any tier, as described in paragraph (4)(C) or paragraph (6)(C) of subsection (e).

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(5) PERMANENT AUTHORITY.—The authorities and flexibilities in this section and in the Policy Directive issued under the authority of this section to make SBIR/STTR Phase III awards, to exercise the Phase III special acquisition preference, to provide Phase III intellectual property protections, and to carry

out Phase III transition goals, incentives, and other Phase III support activities shall not be subject to any time limitation in subsections (m) and (n) on the execution authority for Small Business Innovation Research and Small Business Technology Transfer programs.

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(mm) ASSISTANCE FOR ADMINISTRATIVE, OVERSIGHT, AND CONTRACT PROCESSING COSTS.—

(1) IN GENERAL.—Subject to paragraph (3) and until September 30, 2025, the Administrator shall allow each Federal agency required to conduct an SBIR program, or SBIR and STTR programs, to use not more than 3 percent of the funds allocated to the SBIR program, or SBIR and STTR programs, of the Federal agency for—

(A) ***

****

(y) COMMERCIALIZATION READINESS PROGRAM.—

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(4) FUNDING

(A) IN GENERAL.— The Secretary of Defense and each Secretary of a military department may use not more than an amount equal to ~~1 percent~~ 2 percent of the funds available to the Department of Defense or the military department pursuant to the Small Business Innovation Research Program for payment of expenses incurred to administer the Commercialization Readiness Program under this subsection and to carry out SBIR/STTR Phase III commercialization and transition programs, goals, and support activities in furtherance of the SBIR and STTR provisions of the small business strategy of the Department of Defense issued under section 4901 of title 10, United States Code, as updated pursuant to section 861(b) of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116-283; 10 U.S.C. 4901 note).

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SEC. ___. INCREASE IN TERM LIMIT FOR INTERGOVERNMENTAL SUPPORT AGREEMENTS

Section 2679(a)(2)(A) of title 10, United States Code, is amended by striking "ten" and inserting "20".

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

An intergovernmental support agreement under section 2679(a)(2)(A) of title 10, United States Code, currently allows an intergovernmental support agreement (IGSA) to be used for a term not to exceed ten years. This proposal would amend 10 U.S.C. 2679 so that the term would not exceed 20 years.

Increasing the IGSA term limit would allow the Department of Defense (DoD) to leverage community resources for capital-intensive projects that enhance mission effectiveness, create efficiencies, and reduce costs to the Armed Services. Longer-term IGSAs allow the Military Departments to implement better overall asset management practices that are aligned with DoD business reform initiatives. A 20-year IGSA term also allows more time to recapitalize costs and reduce risk, resulting in more partnership opportunities with communities that may be reluctant to support DoD due to the current term limits.

Longer IGSA term limits will enable the Services and their Community to maximize the benefits of this partnership authority. Large unfunded investment priorities are often needed to carry out IGSAs without a long enough time horizon to economically amortize the costs. Public partners structure their financing for large investments with 20+ year terms. These longer terms reduce annual costs that would be deemed uncompetitive under current limits and mitigate the risk to our partners who need to obtain financing in the form of long-term loans or bonds. A not-to-exceed period of 20 years for IGSAs would allow for entirely new and useful IGSA agreement types that are impossible for the community to finance under a 10-year agreement. These include access to physical fitness centers and indoor firing ranges, wastewater treatment services, provision of carbon-free electricity to our installations, and assistance with emergency services in small, rural communities.

Budget Implications: This proposal has no significant impact on the use of resources requested within the Fiscal Year (FY) 2025 President's Budget.

Changes to Existing Law: This proposal would amend section 2679 of title 10, United States Code, as follows:

§2679. Installation-support services: intergovernmental support agreements

(a) IN GENERAL.—

(1) Notwithstanding any other provision of law governing the award of Federal Government contracts for goods and services, the Secretary concerned may enter into an intergovernmental support agreement, on a sole source basis, with a State or local government to provide, receive, or share installation-support services if the Secretary determines that the agreement will serve the best interests of the department by enhancing mission effectiveness or creating efficiencies or economies of scale, including by reducing costs.

(2) An intergovernmental support agreement under paragraph (1)—

(A) may be for a term not to exceed ~~ten~~ 20 years; and

(B) may use, for installation-support services provided by a State or local government, wage grades normally paid by that State or local government.

(3) An intergovernmental support agreement under paragraph (1) may only be used when the Secretary concerned or the State or local government, as the case may be, providing the installation-support services already provides such services for its own use.

(4) Any contract for the provision of installation-support services awarded by the Federal Government or a State or local government pursuant to an intergovernmental support agreement provided in subsection (a) shall be awarded on a competitive basis.

(b) EFFECT ON FIRST RESPONDER ARRANGEMENTS.—The authority provided by this section and limitations on the use of that authority are not intended to revoke, preclude, or otherwise interfere with existing or proposed mutual-aid agreements relating to police or fire protection services or other similar first responder agreements or arrangements.

(c) AVAILABILITY OF FUNDS.—Funds available to the Secretary concerned for operation and maintenance may be used to pay for such installation-support services. The costs of agreements under this section for any fiscal year may be paid using annual appropriations made available for that year. Funds received by the Secretary as reimbursement for providing installation-support services pursuant to such an agreement shall be credited to the appropriation or account charged with providing installation support.

(d) EFFECT ON OMB CIRCULAR A-76.—The Secretary concerned shall ensure that intergovernmental support agreements authorized by this section are not used to circumvent the requirements of Office of Management and Budget Circular A-76 regarding public-private competitions.

(e) PILOT PROGRAM FOR USE OF COST SAVINGS REALIZED.—(1) Each Secretary concerned shall conduct a pilot program under which the Secretary will make available to the commander of each military installation for which cost savings are realized as a result of an intergovernmental support agreement entered into under this section an amount equal to not less than 25 percent of the amount of such cost savings for that military installation for a fiscal year.

(2) Amounts made available to an installation commander under paragraph (1) shall be used solely to address sustainment restoration and modernization requirements that have been approved by the major subordinate command or equivalent component.

(3) With respect to each military installation for which amounts are made available to the installation commander under paragraph (1), the Secretary concerned shall certify, not less frequently than annually for each fiscal year of the pilot program, to the congressional defense committees the following:

(A) The name of the installation and the amount of the cost savings achieved at the installation.

(B) The source and type of intergovernmental support agreement that achieved the cost savings.

(C) The amount of the cost savings made available to the installation commander under paragraph (1).

(D) The sustainment restoration and modernization purposes for which the amount made available under paragraph (1) were used.

(4) The authority to conduct the pilot program shall expire September 30, 2025.

(f) DEFINITIONS.—In this section:

(1) The term "installation-support services" means those services, supplies, resources, and support typically provided by a local government for its own needs and without regard to whether such services, supplies, resources, and support are provided to its residents generally, except that the term does not include security guard or fire-fighting functions.

(2) The term "local government" includes a county, parish, municipality, city, town, township, local public authority, school district, special district, and any agency or instrumentality of a local government.

(3) The term "State" includes the District of Columbia, the Commonwealths of Puerto Rico and the Northern Mariana Islands, American Samoa, Guam, and the United States Virgin Islands, and any agency or instrumentality of a State.

(4) The term "intergovernmental support agreement" means a legal instrument reflecting a relationship between the Secretary concerned and a State or local government that contains such terms and conditions as the Secretary concerned considers appropriate for the purposes of this section and necessary to protect the interests of the United States.

SEC. ___. AMENDMENTS RELATING TO DESIGNATION OF DEPARTMENT OF DEFENSE AND OTHER PERSONNEL ELIGIBLE FOR DOMICILE-TO-DUTY TRANSPORTATION.

(a) AMENDMENT TO TRANSPORTATION FOR OFFICIAL PURPOSES.—Section 1344(a)(2) of title 31, United States Code, is amended—

(1) by inserting "or" at the end of subparagraph (B); and

(2) by adding at the end the following new subparagraph:

"(C) necessary to provide an agency officer or employee designated by the head of the agency with reliable and secure communications, continuously available transportation, or rapid mobility that is essential to the conduct of official duties,".

(b) AMENDMENT TO TRANSPORT BETWEEN RESIDENCE AND PLACE OF EMPLOYMENT FOR CERTAIN OFFICERS AND EMPLOYEES OF FEDERAL AGENCIES.— Section 1344(b)(1) of such title is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following new subparagraph C):

"(C) the President's Physician; and".

(c) AUTHORITY FOR SECRETARY OF DEFENSE TO EXTEND DOMICILE TO DUTY TRANSPORTATION IN CERTAIN CIRCUMSTANCES.— Section 1344(d)(2) of such title is amended—

(1) in the first sentence, by inserting before the period at the end the following: "except that, in the case of the Department of Defense, the Secretary of Defense may extend the authorization for a period of not more than 365 additional calendar days"; and

(2) in the second sentence, by inserting before the period at the end the following: ", except that, in the case of the Department of Defense, the Secretary of Defense may authorize such an additional extension for a period of not more than 365 calendar days".

(d) DELEGATION OF CERTAIN AUTHORITIES.—Section 1344(d)(3) of such title is amended—

(1) by striking "may not be delegated, except that, with" and inserting the following: "may be delegated as follows:

"(A) With";

(2) by inserting after subparagraph (A) (as designated by paragraph (1)) the following:

"(B) The head of a Federal agency may delegate the authority under subsection (b)(9) of this section to any officer or employee who is appointed by the President with the advice and consent of the Senate."; and

(3) by moving the sentence in subparagraph (A) (as designated by paragraph (1)) beginning with "No designation or determination" to the end, with the left margin aligned with the left margin of the matter in paragraph (3) preceding such subparagraph (A).

Section-by-Section Analysis

Under current law, the Department of Defense (DoD) approval process for domicile-to-duty (D-T-D) transportation is governed by section 1344 of title 31, United States Code, which applies to all Federal agencies. This proposal would amend section 1344 by extending D-T-D transportation authorization periods for the DoD in certain circumstances, allowing limited D-T-D transportation approval delegation for DoD and other Federal agencies, and granting the President's Physician permanent D-T-D transportation. The primary purposes of this legislative proposal are to give the Secretary of Defense the flexibility to lengthen the Secretary's D-T-D approval authority, and to give the heads of Federal agencies, including the Secretary of Defense and the Secretaries of the military departments, the authority to delegate their D-T-D approval authority.

Section 1344 of title 31 limits DoD authorization of D-T-D transportation to 15 days, extendable to not more than 90 days, for transportation that is for official purposes, including clear and present danger, emergencies, or compelling operations considerations.

Each current D-T-D approval process entails an unwieldy 45-day coordination effort which, under certain circumstances, may actually endanger the individuals it was designed to protect. The approval process has led to a lapse in D-T-D coverage for several authorizations, which puts individuals at risk and causes a heavy burden on the offices it affects. This 45-day process, repeated every 90 days, equals 180 days, or one-half of each year of processing time. The resulting inefficiencies includes an undue burden on the Secretary of Defense, who is the lone approval authority for D-T-D requests from Directors of the Defense Agencies, the DoD activities within the Office of the Secretary of Defense, the Joint Chiefs of Staff, and the Combatant Commands. The Secretary of Defense approval authority cannot be delegated.

This proposal seeks to standardize the Unified Combatant Commanders D-T-D approvals at 365 calendar days where it is determined that there is a clear and present danger, an emergency, or a compelling operational need. This proposed amendment of the determination by the Secretary of Defense from 90 calendar days to 365 calendar days would apply only to the Department of Defense. This proposal also seeks to grant the President's Physician permanent D-T-D authorization. This change will result in converting four 90-day D-T-D renewals annually to one 365-day D-T-D renewal for the Combatant Commanders that will be authorized by the Secretary of Defense each year. For the President's Physician, the Secretary of Defense currently authorizes four D-T-D renewals annually. The elimination of eight 90-day D-T-D requests each year, and the associated eight times 45-day processing requirement, allows operational personnel to focus on their mission instead of D-T-D renewals. The authority to extend the period of approval from 90 days to 365 days for the Combatant Commanders will free the Secretary of Defense and other senior DoD officials from this administrative approval process every 90 days, yet will still retain oversight at the highest levels of the Department. If the D-T-D authority for the President's Physician is made permanent the Secretary of Defense will not have to approve four requests annually and can devote that time to other critical DoD critical mission requirements. The Unified Combatant Commanders and the President's Physician have a continuous need for D-T-D transportation and constantly use this authorization that is executed under the statute by the Secretary of Defense. The possibility of a lapse due to constant renewals and processing times poses a risk to their missions.

This proposal would also allow the Secretary of Defense and the heads of other Federal agencies, which includes the Secretaries of military departments, a limited delegation authority. Congress's reasoning in making the Secretary of Defense the sole approving authority was to ensure each D-T-D request will be thoroughly reviewed to ensure it meets the requirements of this statute. However, the result is an additional layer of bureaucracy and administrative focus that should be applied to operational matters. The proposal would give delegation authority to a select few trusted leaders appointed by the President and confirmed by the U.S. Senate and would not reduce proper management and oversight. As important, this proposal will help expedite the approval process to ensure D-T-D transportation is provided when necessary, thereby protecting DoD personnel.

This proposal reduces administrative requirements by providing enduring D-T-D approval for those senior officials who are already approved every 90 calendar days for D-T-D by the agency head. Adequate policy safeguards exist to prevent abuse of government transportation. DoD Regulation 4500.36, "Management Acquisition and Use of Motor Vehicles," sets forth reporting requirements and ensures proper monitoring of D-T-D transportation. No incidence of abuse has been reported.

Resource Information: This proposal has no impact on the use of resources requested within the Fiscal Year (FY) 2025 President's Budget.

Changes to Existing Law: This proposal would amend section 1344 of title 31, United States Code, as follows:

§ 1344. Passenger Carrier Use

(a)(1) Funds available to a Federal agency, by appropriation or otherwise, may be expended by the Federal agency for the maintenance, operation, or repair of any passenger carrier only to the extent that such carrier is used to provide transportation for official purposes. Notwithstanding any other provision of law, transporting any individual other than the individuals listed in subsections (b) and (c) of this section between such individual's residence and such individual's place of employment is not transportation for an official purpose.

(2) For purposes of paragraph (1), transportation between the residence of an officer or employee and various locations that is—

(A) required for the performance of field work, in accordance with regulations prescribed pursuant to subsection (e) of this section, or

(B) essential for the safe and efficient performance of intelligence, counterintelligence, protective services, or criminal law enforcement duties, or transportation of federally owned canines associated with force protection duties of any part of the intelligence community (as defined in section 3 of the National Security Act of 1947 (50 U.S.C. 3003)), or

(C) necessary to provide an agency officer or employee designated by the head of the agency with reliable and secure communications, continuously available transportation, or rapid mobility that is essential to the conduct of official duties,

is transportation for an official purpose, when approved in writing by the head of the Federal agency.

(3) For purposes of paragraph (1), the transportation of an individual between such individual's place of employment and a mass transit facility pursuant to subsection (g) is transportation for an official purpose.

(b) A passenger carrier may be used to transport between residence and place of employment the following officers and employees of Federal agencies:

(1)(A) the President and the Vice President;

(B) no more than 6 officers or employees in the Executive Office of the President, as designated by the President; ~~and~~

(C) the President's Physician; and

(~~C~~ D) no more than 10 additional officers or employees of Federal agencies, as designated by the President;

(2) the Chief Justice and the Associate Justices of the Supreme Court;
(3)(A) officers compensated at Level I of the Executive Schedule pursuant to section 5312 of title 5; and
(B) a single principal deputy to an officer described in sub clause (A) of this clause, when a determination is made by such officer that such transportation is appropriate;
(4) principal diplomatic and consular officials abroad, and the United States Ambassador to the United Nations;
(5) the Deputy Secretary of Defense and Under Secretaries of Defense, the Secretary of the Air Force, the Secretary of the Army, the Secretary of the Navy, the members and Vice Chairman of the Joint Chiefs of Staff, and the Commandant of the Coast Guard;
(6) the Director of the Central Intelligence Agency, the Director of the Federal Bureau of Investigation, Director of the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Administrator of the Drug Enforcement Administration, and the Administrator of the National Aeronautics and Space Administration;
(7) the Chairman of the Board of Governors of the Federal Reserve System;
(8) the Comptroller General of the United States and the Postmaster General of the United States; and
(9) an officer or employee with regard to whom the head of a Federal agency makes a determination, in accordance with subsection (d) of this section and with regulations prescribed pursuant to paragraph (1) of subsection (e), that highly unusual circumstances present a clear and present danger, that an emergency exists, or that other compelling operational considerations make such transportation essential to the conduct of official business.

Except as provided in paragraph (2) of subsection (d), any authorization made pursuant to clause (9) of this subsection to permit the use of a passenger carrier to transport an officer or employee between residence and place of employment shall be effective for not more than 15 calendar days.

(c) A passenger carrier may be used to transport between residence and place of employment any person for whom protection is specifically authorized pursuant to section 3056(a) of title 18 or for whom transportation is authorized pursuant to section 28 of the State Department Basic Authorities Act of 1956, section 2637 of title 10, or section 8(a)(1) of the Central Intelligence Agency Act of 1949.

(d)(1) Any determination made under subsection (b)(9) of this section shall be in writing and shall include the name and title of the officer or employee affected, the reason for such determination, and the duration of the authorization for such officer or employee to use a passenger carrier for transportation between residence and place of employment.
(2) If a clear and present danger, an emergency, or a compelling operational consideration described in subsection (b)(9) of this section extends or may extend for a period in excess of 15 calendar days, the head of the Federal agency shall determine whether an authorization under such paragraph shall be extended in excess of 15 calendar days for a period of not more than 90 additional calendar days, except that, in the case of the Department of Defense, the Secretary of Defense may extend the authorization for a period of not more than 365 additional calendar days. Determinations made under this paragraph may be reviewed by the head of such agency at the end of each such period, and, where appropriate, a subsequent determination may be made

whether such danger, emergency, or consideration continues to exist and whether an additional extension, not to exceed 90 calendar days, may be authorized, except that, in the case of the Department of Defense, the Secretary of Defense may authorize such an additional extension for a period of not more than 365 calendar days. Determinations made under this paragraph shall be in accordance with regulations prescribed pursuant to paragraph (1) of subsection (e).
(3) The authority to make designations under subsection (b)(1) of this section and to make determinations pursuant to subsections (a)(2) and (b)(3)(B) and (9) of this section and pursuant to paragraph (2) of this subsection may ~~not~~ be delegated as follows: ~~except that,~~

(A) With respect to the Executive Office of the President, the President may delegate the authority of the President under subsection (b)(9) of this section to an officer in the Executive Office of the President. ~~No designation or determination under this section may be made solely or principally for the comfort or convenience of the officer or employee.~~

(B) The head of a Federal agency may delegate the authority under subsection (b)(9) of this section to any officer or employee of the agency who is appointed by the President, by and with the advice and consent of the Senate.

No designation or determination under this section may be made solely or principally for the comfort or convenience of the officer or employee.
(4) Notification of each designation or determination made under subsection (b)(1), (3)(B), and (9) of this section and under paragraph (2) of this subsection, including the name and title of the officer or employee affected, the reason for any determination under subsection (b)(9), and the expected duration of any authorization under subsection (b)(9), shall be transmitted promptly to the Committee on Government Operations of the House of Representatives and the Committee on Governmental Affairs of the Senate.

(e)(1) Not later than March 15, 1987, the Administrator of General Services, after consultation with the Comptroller General, the Director of the Office of Management and Budget, and the Director of the Administrative Office of the United States Courts, shall promulgate regulations governing the heads of all Federal agencies in making the determinations authorized by subsections (a)(2)(A), (b)(9), and (d)(2) of this section. Such regulations shall specify that the comfort and convenience of an officer or employee is not sufficient justification for authorizations of transportation under this section.
(2) In promulgating regulations under paragraph (1) of this subsection, the Administrator of General Services shall provide criteria defining the term "field work" for purposes of subsection (a)(2)(A) of this section. Such criteria shall ensure that transportation between an employee's residence and the location of the field work will be authorized only to the extent that such transportation will substantially increase the efficiency and economy of the Government.

(f) Each Federal agency shall maintain logs or other records necessary to establish the official purpose for Government transportation provided between an individual's residence and such individual's place of employment pursuant to this section.

(g) (1) If and to the extent that the head of a Federal agency, in his or her sole discretion, deems it appropriate, a passenger carrier may be used to transport an officer or employee of a Federal agency between the officer's or employee's place of employment and a mass transit facility (whether or not publicly owned) in accordance with succeeding provisions of this subsection.

(2) Notwithstanding section 1343, a Federal agency that provides transportation services under this subsection (including by passenger carrier) may absorb the costs of such services using any funds available to such agency, whether by appropriation or otherwise.
(3) In carrying out this subsection, a Federal agency, to the maximum extent practicable and consistent with sound budget policy, should—

(A) use alternative fuel vehicles for the provision of transportation services;

(B) to the extent consistent with the purposes of this subsection, provide transportation services in a manner that does not result in additional gross income for Federal income tax purposes; and

(C) coordinate with other Federal agencies to share, and otherwise avoid duplication of, transportation services provided under this subsection.

(4) For purposes of any determination under chapter 81 of title 5 or chapter 171 of title 28, an individual shall not be considered to be in the "performance of duty" or "acting within the scope of his or her office or employment" by virtue of the fact that such individual is receiving transportation services under this subsection. Nor shall any time during which an individual uses such services be considered when calculating the hours of work or employment for that individual for purposes of title 5 of the United States Code, including chapter 55 of that title.
(5)(A) The Administrator of General Services, after consultation with the appropriate agencies, shall prescribe any regulations necessary to carry out this subsection.

(B) Transportation services under this subsection shall be subject neither to the last sentence of subsection (d)(3) nor to any regulations under the last sentence of subsection (e)(1).

(6) In this subsection, the term "passenger carrier" means a passenger motor vehicle or similar means of transportation that is owned, leased, or provided pursuant to contract by the United States Government.

(h) As used in this section—

(1) the term "passenger carrier" means a passenger motor vehicle, aircraft, boat, ship, or other similar means of transportation that is owned or leased by the United States Government; and
(2) the term "Federal agency" means—

(A) a department—

(i) including independent establishments, other agencies, and wholly owned Government corporations; but

(ii) not including the Senate, House of Representatives, or Architect of the Capitol, or the officers or employees thereof;

(B) an Executive department (as such term is defined in section 101 of title 5);

(C) a military department (as such term is defined in section 102 of title 5);

(D) a Government corporation (as such term is defined in section 103(1) of title 5);

(E) a Government controlled corporation (as such term is defined in section 103(2) of title 5);

(F) a mixed-ownership Government corporation (as such term is defined in section 9101(2) of this title);

(G) any establishment in the executive branch of the Government (including the Executive Office of the President);

(H) any independent regulatory agency (including an independent regulatory agency specified in section 3502(10) 2 of title 44);
(I) the Smithsonian Institution; and
(J) any non-appropriated fund instrumentality of the United States, except that such term does not include the government of the District of Columbia.

(i) Notwithstanding section 410(a) of title 39, this section applies to the United States Postal Service.

SEC. __. MODIFICATIONS TO THE DEFENSE CIVILIAN ACQUISITION WORKFORCE PERSONNEL DEMONSTRATION PROJECT.

Section 1762 of title 10, United States Code, is amended—

(1) in subsection (g), by striking "December 31, 2026" and inserting "December 31, 2031"; and

(2) in subsection (h), by striking "civilian personnel system created pursuant to section 9902 of title 5" and inserting "personnel system otherwise applicable under law".

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

This proposal amends section 1762 of title 10, United States Code, to extend the authority for the Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) by amending the current statutory sunset date from December 31, 2026, to December 31, 2031. If authority for AcqDemo is not extended, the Department of Defense (DoD) will need to transfer approximately 57,000 AcqDemo employees to the General Schedule or other personnel systems.

AcqDemo supports the President's objective to revitalize the National Security workforce and the Secretary of Defense priority to Take Care of Our People by Growing Our Talent. In addition, AcqDemo supports cultivating the talent of the Department of Defense (DoD) and strengthens its ability to recruit and train the Defense Acquisition Workforce (AWF) with the skills, abilities, and diversity needed to creatively solve national security challenges in a complex global environment.

AcqDemo is the primary personnel and contribution system for over 57,600 acquisition professionals in the Department, including the Air Force Materiel Command, the Army Materiel Command, the United States Space Force, the United States Space Command, the Naval Air Systems Command, the Naval Sea Systems Command, the Marine Corps, and the Missile Defense Agency. AcqDemo's design links contribution and compensation, rewarding innovation and contribution to the mission, and is not based on longevity within the Government. Since its inception in 1999, Congress has continually extended AcqDemo's temporary authority. This proposal requests another five-year extension of the authority to allow a continuation of the AcqDemo program through December 31, 2031.

Over the next five years, the AWF will obligate more than $1 trillion for new acquisitions, while sustaining and managing major programs valued at $7 trillion over their

lifecycle. The Department must recruit and cultivate workforce talent to maintain strategic readiness against a near peer security threat. This proposal will enable the DoD to sustain the highly successful personnel initiatives implemented through AcqDemo, which includes direct hiring authorities, streamlined and broad band classification, differential pay, and compensation flexibilities that over the last 26 years have led to innovation and effective acquisition processes. AcqDemo, by design, enhances the agility, effectiveness, and professionalism of the AWF and its support personnel.

AcqDemo is voluntary, and organizations must elect to convert their workforce to AcqDemo. Bargaining unit participation is also voluntary and requires a negotiated agreement, signed by DoD, prior to entry into AcqDemo.

If this proposal is not adopted, DoD will take immediate action to transition the 57,000-plus employees out of AcqDemo and convert them into the Title 5 General Schedule (GS) or the legacy personnel system that the organization came from if not GS, thus eliminating a major personnel flexibility the Department has leveraged for the past 26 years. This would not only be disruptive to the acquisition workforce supporting the warfighter, but in addition, would result in a major setback for human capital management flexibilities and reforms within the Department and limit future human resource reforms for our trusted acquisition professionals. Allowing organizations to return to legacy systems without converting into the GS first will have a significant impact on the cost of the transition out of the program as some employees would need to receive pay increases to place them on an appropriate grade and step. Extension of AcqDemo provides a critical tool used to motivate, compensate, and reward the workforce based on the results they deliver to supporting the mission of the Department of Defense.

Budget Implications: This proposal has no significant impact on the use of resources requested within the FY 2025 President's Budget.

Changes to Existing Law: This proposal would amend section 1762 of title 10, United States Code, as follows:

§1762. Demonstration project relating to certain acquisition personnel management policies and procedures

(a) COMMENCEMENT.—The Secretary of Defense is authorized to carry out a demonstration project, the purpose of which is to determine the feasibility or desirability of one or more proposals for improving the personnel management policies or procedures that apply with respect to the acquisition workforce of the Department of Defense and supporting personnel assigned to work directly with the acquisition workforce.

(b) TERMS AND CONDITIONS.—

(1) Except as otherwise provided in this subsection, any demonstration project described in subsection (a) shall be subject to section 4703 of title 5 and all other provisions of such title that apply with respect to any demonstration project under such section.

(2) Subject to paragraph (3), in applying section 4703 of title 5 with respect to a demonstration project described in subsection (a)-

(A) "180 days" in subsection (b)(4) of such section shall be deemed to read "120 days";

(B) "90 days" in subsection (b)(6) of such section shall be deemed to read "30 days"; and

(C) subsection (d)(1) of such section shall be disregarded.

(3) Paragraph (2) shall not apply with respect to a demonstration project unless-

(A) for each organization or team participating in the demonstration project-

(i) at least one-third of the workforce participating in the demonstration project consists of members of the acquisition workforce; and

(ii) at least two-thirds of the workforce participating in the demonstration project consists of members of the acquisition workforce and supporting personnel assigned to work directly with the acquisition workforce; and

(B) the demonstration project commences before October 1, 2007.

(4) The Secretary of Defense shall exercise the authorities granted to the Office of Personnel Management under section 4703 of title 5 for purposes of the demonstration project authorized under this section.

(c) LIMITATION ON NUMBER OF PARTICIPANTS.—The total number of persons who may participate at any one time in the demonstration project under this section may not exceed 130,000.

(d) EFFECT OF REORGANIZATIONS.—The applicability of paragraph (2) of subsection (b) to an organization or team shall not terminate by reason that the organization or team, after having satisfied the conditions in paragraph (3) of such subsection when it began to participate in a demonstration project under this section, ceases to meet one or both of the conditions set forth in subparagraph (A) of such paragraph (3) as a result of a reorganization, restructuring, realignment, consolidation, or other organizational change.

(e) ASSESSMENTS.—

(1) The Secretary of Defense shall designate an independent organization to conduct two assessments of the acquisition workforce demonstration project described in subsection (a).

(2) Each such assessment shall include the following:

(A) A description of the workforce included in the project.

(B) An explanation of the flexibilities used in the project to appoint individuals to the acquisition workforce and whether those appointments are based on competitive procedures and recognize veteran's preferences.

(C) An explanation of the flexibilities used in the project to develop a performance appraisal system that recognizes excellence in performance and offers opportunities for improvement.

(D) The steps taken to ensure that such system is fair and transparent for all employees in the project.

(E) How the project allows the organization to better meet mission needs.

(F) An analysis of how the flexibilities in subparagraphs (B) and (C) are used, and what barriers have been encountered that inhibit their use.

(G) Whether there is a process for-

(i) ensuring ongoing performance feedback and dialogue among supervisors, managers, and employees throughout the performance appraisal period; and

(ii) setting timetables for performance appraisals.

(H) The project's impact on career progression.

(I) The project's appropriateness or inappropriateness in light of the complexities of the workforce affected.

(J) The project's sufficiency in terms of providing protections for diversity in promotion and retention of personnel.

(K) The adequacy of the training, policy guidelines, and other preparations afforded in connection with using the project.

(L) Whether there is a process for ensuring employee involvement in the development and improvement of the project.

(3) The first assessment under this subsection shall be completed not later than September 30, 2012. The second and final assessment shall be completed not later than September 30, 2016. The Secretary shall submit to the covered congressional committees a copy of each assessment within 30 days after receipt by the Secretary of the assessment.

(f) COVERED CONGRESSIONAL COMMITTEES.—In this section, the term "covered congressional committees" means-

(1) the Committees on Armed Services of the Senate and the House of Representatives;

(2) the Committee on Homeland Security and Governmental Affairs of the Senate; and

(3) the Committee on Oversight and Government Reform of the House of Representatives.

(g) TERMINATION OF AUTHORITY.—The authority to conduct a demonstration project under this section shall terminate on December 31, ~~2026~~2031.

(h) CONVERSION.—Within 6 months after the authority to conduct a demonstration project under this section is terminated as provided in subsection (g), employees in the project shall convert to the ~~civilian personnel system created pursuant to section 9902 of title 5~~ personnel system otherwise applicable under law.

SEC. ___. PILOT PROGRAM TO OPTIMIZE AND CONSOLIDATE ARMY FACILITIES FOR RESILIENT AND HEALTHY DEFENSE COMMUNITIES.

(a) ESTABLISHMENT.—Using funds available to the Secretary of the Army for unspecified minor military construction, the Secretary of the Army may conduct a pilot program in accordance with the requirements of this section.

(b) PURPOSE.—The purpose of the pilot program is to assess the feasibility and effectiveness of implementing a more comprehensive footprint optimization initiative to ensure the scale and scope of the infrastructure footprint of the Department of Defense is aligned with the needs of its people.

(c) PROJECTS.—

(1) IN GENERAL.—Under the pilot program, the Secretary of the Army may carry out military construction projects, not otherwise authorized by law, to create more livable, productive, and resilient communities through the optimization and consolidation of facilities of the Department of the Army, including leased facilities.

(2) REQUIREMENTS.—The Secretary of the Army may carry out a project under the pilot program if—

(A) the facilities being optimized and consolidated are currently occupied;

(B) the project will result in facilities that have at least 20 percent less square footage (or equivalent unit of measure) than the facilities being optimized and consolidated;

(C) the facilities being optimized and consolidated are either demolished or form an integral part of the military construction project, and if such facilities are leased, the lease is terminated; and

(D) the Secretary of the Army has conducted an economic analysis of the project that accounts for anticipated cost requirements for the design, construction, sustainment, restoration, modernization, operation, and demolition of new and existing facilities associated with the project and such analysis supports a positive net present value over a 20-year period.

(3) MAXIMUM PROJECT COST.—A project carried out under the pilot program may not exceed a total cost of $25,000,000.

(4) TOTAL NUMBER OF PROJECTS.—Not more than a total of five projects may be carried out under the pilot program.

(d) CONGRESSIONAL NOTIFICATION.—

(1) SUBMISSION.—At least 14 days before initiating a project under the pilot program, the Secretary of the Army shall submit to the congressional defense committees notice of the project.

(2) CONTENTS.—Such notice shall include—

(A) the justification and current cost estimate for the project;

(B) the expected savings-to-investment ratio;

(C) simple payback estimates;

(D) the project's measurement and verification cost estimate; and

(E) a description of how the project would improve the supported organization's functions and the efficient management of real property.

(e) REPORT.—

(1) SUBMISSION.—Not later than 18 months after the date of the enactment of this Act, the Secretary of the Army shall submit to the congressional defense committees a report on the status of projects under the pilot program, including planned, active, and completed projects.

(2) CONTENTS.—The report shall include, with respect to each such project, the following information:

(A) The title and location of the project, a brief description of the scope of work, the original project cost estimate, and the current working project cost estimate.

(B) The original expected savings-to-investment ratio, simple payback estimates, annual reoccurring savings, 20-year net present value, annual return on investment, and measurement and verification cost estimate.

(C) The current expected savings-to-investment ratio and simple payback estimates, annual reoccurring savings, 20-year net present value, annual return on investment, and measurement and verification cost estimate.

(D) A brief description of the measurement and verification plan and planned funding source, to include the net change in the square footage (or other unit of measure) reduction accomplished by the project.

(E) How the project improved the supported organization's functions and the efficient management of real property.

(F) Such other information as the Secretary of the Army considers appropriate.

(f) SUNSET.—The authority of the Secretary of the Army to conduct the pilot program shall expire three years after the date of the enactment of this Act, except that if congressional notification for a project has been provided under this section prior to such date, the project may be carried out to completion.

Section-by-Section Analysis

This proposal would authorize a pilot program to optimize the Army's facility footprint for the purpose of "Creating Livable Communities" (CLC). The Army would serve as a test bed to demonstrate space management technologies, techniques, and asset management principles. Lessons learned by the Army from this pilot would be applied across the Department of Defense.

Military construction projects carried out under this pilot program will consolidate underutilized or underperforming assets and ensure new facilities are built to last and adaptable to evolving demands and conditions. Such projects will be targeted opportunities to upgrade and modernize the Department's existing asset portfolio to increase longevity and reduce operating costs. The intended end-state is to create a smaller, higher quality portfolio that is highly utilized for longer periods of time, thus reducing the total lifecycle cost of infrastructure delivery.

Specifically, the proposal would provide authority (for three years) to the Secretary of the Army to carry out military construction projects, not otherwise authorized by law, to consolidate existing facilities if the following conditions are met:

- The facilities being optimized and consolidated are currently occupied.
- The project will result in facilities that have at least 20 percent less square footage (or equivalent unit of measure) than the facilities being optimized and consolidated.
- The facilities being optimized and consolidated are either demolished or form an integral part of the military construction project, or if such facilities are leased, the lease is terminated.
- The Secretary of the Army has conducted an economic analysis of the project that accounts for anticipated cost requirements for the design, construction, sustainment, restoration, modernization, operation, and demolition of new and existing facilities associated with the project and such analysis supports a positive net present value over a 20-year period.

Over a three-year pilot period after enactment, the Secretary would be able to carry out not more than five projects, each with an approved cost up to $25 million. A key element of these projects to consolidate and create livable communities will be the requirement to demolish facilities being vacated if the vacated facility is not located in the new construction footprint.

An example of a CLC pilot project would be terminating a leased administrative space and/or demolishing five small administrative buildings (approximately 5,000 square feet each)

that are poorly insulated, greater than 30 years old, and functionally inefficient, and constructing an administrative building that complies with current building codes that is functionally efficient, resilient to natural hazards, and improved building systems that are energy efficient, improve air quality, and a more livable workplace. The new building would be more functional, allow improved collaboration/shared space, and require less overall footprint. The termination of the lease or demolition of the existing underutilized and outdated facilities remove them from the Army inventory, generating cost savings.

Similar to other military construction not otherwise authorized by law, all projects would require prior congressional notification with a report to be submitted to Congress.

Currently, the Army (alongside the other Military Departments) is struggling to afford to maintain the facility footprint it already owns. The Department of Defense historically addressed major installation consolidation needs through discrete Base Realignment and Closure rounds authorized by Congress. The Army needs additional authority to pursue pilot projects that set future conditions to execute comprehensive footprint optimization within existing installation boundaries.

Army facilities have failed or are failing at a faster rate than they can be restored at anticipated funding levels (other military services are experiencing similar issues with facility degradation). The Army would benefit from a dedicated investment authority it can use to prioritize specific footprint optimization efforts and produce savings/cost avoidances in order to improve workforce and mission performance and place its real property portfolio on a more sustainable financial path.

Initial estimates indicate CLC pilot program investments (after planning and design to develop good projects) could produce an annual return on investment of 13.3 percent, with each year of investment compounding the savings. The proposal will improve the Army's facilities where people work, to create more productive and resilient communities.

Much of the infrastructure in the Army's inventory has reached an age where its condition, size, or configuration is not cost effective to replace or repair the facility on a one-for-one basis. In some cases, required repairs are so extensive that a complete replacement of the facility and the relocation of its tenants into a new, multi-tenant building will save money and be more operationally effective because it can be designed to be more adaptable and responsive to evolving requirements.

New authority under this pilot is necessary to overcome practical and legal obstacles to pursuing holistic and comprehensive facility consolidation. For example, for a military construction project, funds cannot be used to demolish infrastructure vacated when facility tenants are moved to the new facilities constructed as authorized by law. Instead, emptied buildings are returned to the installation command for reallocation and/or disposal, meaning that operation and maintenance funds would have to be separately programmed (and compete) for demolition funding. This pilot, if enacted, would reduce uncertainty that the phases and sequels of a consolidation plan will unravel over time, and provide incentives to devote the effort and discipline to accomplish the policy objective of footprint optimization.

Despite federal real property consolidation policy and master planning efforts as required by law (10 U.S.C. § 2864) for sustainable development and environmental protection (i.e., climate change), military construction (MILCON) projects are not planned or carried out with a goal to reduce DoD's facility footprint and eliminate future facility requirements. Garrisons today have little incentive to put significant time, administrative effort, and resources to carry out the goal of installation master planning for significant footprint optimization because there is no reasonable path for funding and efficient execution.

It is important to note that the private sector regularly undertakes efforts to reduce occupied square footage and develop denser, less-expensive-to-operate infrastructure that is more flexible and adaptable for future technology and workforce changes. These savings occur by consolidating multiple tenants currently occupying small, energy inefficient, failing buildings into a single larger, multi-tenant building reducing the net occupied square footage by sharing common area infrastructure and amenities (such as conference rooms, bathrooms, heating and air conditioning systems, roofing and windows, parking, landscaping, etc.).

Ultimately, this CLC pilot program proposal would offer substantial cost savings and significant efficiency gains while employing established techniques to limit unnecessary expenditures. Once vacated facilities are demolished, they are removed from the facilities sustainment model and no longer generate sustainment requirements. Further, the demolished facilities would no longer generate utility bills. Custodial, pest control, and landscaping contract scopes (for example) could be reduced by removing the footprints of the demolished buildings.

CLC projects will not result in any installation closures.

Resource Information: The Army would execute the CLC pilot program with existing unspecified minor military construction, Army funds, inside the Army's total obligation authority (TOA). No new net resources would be required. Project execution in the table below is notional.

RESOURCE IMPACT ($MILLIONS)									
Program	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**Appropriation**	**Budget Activity**	**BLI/SAG**	**Program Element (for all RDT&E programs)**
Army	**0.0**	**15.0**	**15.0**	**N/A**	**N/A**	**Unspecified Minor Military Construction, Army (UMMCA)**	**1**	**132**	

Changes to Existing Law: This proposal would not change the text of any existing provision of law.

SEC. ___. INCREASE IN MAXIMUM SKILL PROFICIENCY BONUS AMOUNT.

Section 353(c)(2) of title 37, United States Code, is amended by striking "$12,000" and inserting "$21,000".

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

This proposal would amend section 353 of title 37, United States Code, to raise the maximum amount that can be awarded under the skill proficiency bonus program from $12,000 to $21,000 per year. The Department of Defense needs to attract, train, promote, and retain a workforce with the skills and abilities necessary to effectively solve national security challenges in a complex global environment. The current critical skill bonus programs do not consistently produce desired retention rates or adequately motivate Service members to achieve professional level language proficiency. The proposed increase in the annual limit will permit increases in the foreign language proficiency bonus (FLPB), a skill proficiency bonus currently offered to 29,687 Active Duty, Guard, and Reserve military members who are highly proficient military linguists in critical languages such as Chinese and Russian. This increase will also keep pace with other incentives and allow the Secretaries of the military departments the flexibility to better incentivize members to achieve the higher language proficiency skills that are critical for meeting national security challenges.

Foreign language capabilities are critical to the Department's mission and play a crucial role in our Nation's defense. It is essential that our foreign language professionals maintain a high degree of proficiency in strategically important languages to enable the Department to understand adversary capabilities and intentions, to identify critical threat indications, and to better work in concert with our partners and allies. However, the lack of adequate talent management practices is preventing the Department from developing and retaining enough fully qualified language professionals to combat the Nation's great power competitors. Currently, only one-third of the Department's Chinese and Russian requirements are filled with a linguist who has the language proficiency that is required to fully prosecute the Department's mission. In response to the National Defense Strategy (NDS) and at the direction of the Deputy's Workforce Council, the Department has developed a roadmap for cultivating and managing skilled language, regional expertise, and culture talent. This roadmap represents phase one of a multi-year effort to improve the Department's language talent management and readiness. Phase one focuses on cryptologic language analyst (CLA) talent management. Future phases will focus on other language professional communities, such as foreign area officers (FAOs), human intelligence collectors, special operations operators, and human language technology.

The Department's strategic outcome is to improve the management of foreign language talent to meet the language requirements of the Department and the Intelligence Community through: (1) changes in the Department's language training requirements to increase the production of higher proficiencies, and (2) establishment of talent management processes to

improve assignment, skills utilization, and retention. Current proficiency bonus programs do not consistently produce the desired results in the numbers needed or adequately motivate linguists to achieve professional level language proficiency. Part of this initiative is to overhaul the existing military FLPB program (dating back to August 2007) and realign it under the NDS directive to incentivize and reward highly proficient military linguists (especially enlisted Russian and Chinese CLAs), Russian and Chinese FAOs, and the defense threat reduction agency's Russian interpreter/translators.

With involvement and complete concurrence of the military departments, the NDS FLPB policy for fiscal years 2023-2027 was published on August 22, 2022, defining the "critical skill," central to the payment of FLPB, around the annual certification of foreign language proficiency at the highest levels as defined by the Interagency Language Roundtable Skill Levels 2+ and above. Increasing the annual limit to $21,000 enables the Department and the military departments to better incentivize the acquisition of professional level language proficiency, increase retention, and aggressively respond to any outyear (beyond fiscal year 2030) uncertainties with recruiting and retention issues facing the all-volunteer force. Recruiting and retention of the Department's most highly proficient military linguists will be a national security issue, now and for the outyears.

Resource Information: The table below reflects the best estimate of resources requested within the Fiscal Year (FY) 2025 President's Budget that are impacted by this proposal.

RESOURCE IMPACT ($MILLIONS)									
Program	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**Appropriation**	**Budget Activity**	**BLI/ SAG**	**Program Element (for all RDT&E programs)**
Army	43.3	44.9	46.0	48.0	49.5	Military Personnel, Army	Multiple	N/A	N/A
Army Reserve	6.2	6.3	6.5	6.6	6.8	Reserve Personnel, Army	Multiple	N/A	N/A
Army National Guard	4.9	5.1	5.1	5.3	5.4	National Guard Personnel, Army	Multiple	N/A	N/A
Navy	19.9	21.0	22.0	23.9	25.0	Military Personnel, Navy	Multiple	N/A	N/A
Navy Reserve	1.2	1.2	1.4	1.5	1.6	Reserve Personnel, Navy	Multiple	N/A	N/A
Marine Corps	6.8	7.8	8.8	9.7	10.5	Military Personnel, Marine Corps	Multiple	N/A	N/A

Marine Corps Reserve	0.5	0.6	0.6	0.7	0.7	Reserve Personnel, Marine Corps	Multiple	N/A	N/A
Air Force	63.6	65.8	68.5	71.0	73.0	Military Personnel, Air Force	Multiple	N/A	N/A
Air Force Reserve	2.6	2.8	2.9	3.0	3.1	Reserve Personnel, Air Force	Multiple	N/A	N/A
Air Force National Guard	1.6	1.8	1.9	2.3	2.5	National Guard Personnel, Air Force	Multiple	N/A	N/A
Space Force	2.8	2.8	2.8	2.9	3.1	Military Personnel, Space Force	Multiple	N/A	N/A
Total	153.4	160.1	166.7	174.9	181.2				

Changes to Existing Law: This proposal would amend section 353 of title 37, United States Code, as follows:

§ 353. Skill incentive pay or proficiency bonus

(a) SKILL INCENTIVE PAY.—The Secretary concerned may pay a monthly skill incentive pay to a member of a regular or reserve component of the uniformed services who—

(1) is entitled to basic pay under section 204 of this title or compensation under section 206 of this title; and

(2) serves in a career field or skill designated as critical by the Secretary concerned.

(b) SKILL PROFICIENCY BONUS.—

(1) AVAILABILITY; ELIGIBLE PERSONS.—The Secretary concerned may pay a proficiency bonus to a member of a regular or reserve component of the uniformed services who—

(A) is entitled to basic pay under section 204 of this title or compensation under section 206 of this title or is enrolled in an officer training program; and

(B) is determined to have, and maintains, certified proficiency under subsection (d) in a skill designated as critical by the Secretary concerned or is in training to acquire proficiency in a critical foreign language or expertise in foreign cultural studies or a related skill designated as critical by the Secretary concerned.

(2) INCLUSION OF CERTAIN SENIOR ROTC MEMBERS.—A proficiency bonus may be paid under this subsection to a student who is enrolled in the Senior Reserve Officers' Training Corps program even though the student is in the first year of the four-year course under the program. During the period covered by the proficiency bonus, the student shall also be entitled to a monthly subsistence allowance under section 209(c) of this title even though the student has not entered into an agreement under section 2103a of title 10. However, if the student receives incentive pay under subsection (g)(2) 1 for

the same period, the student may receive only a single monthly subsistence allowance under section 209(c) of this title.

(c) MAXIMUM AMOUNTS AND METHODS OF PAYMENT.—

(1) SKILL INCENTIVE PAY.—(A) Skill incentive pay under subsection (a) may not exceed $1,750 a month.

(B) If a member does not satisfy the eligibility requirements specified in paragraphs (1) and (2) of subsection (a) for an entire month for receipt of skill incentive pay, the Secretary concerned may prorate the payment amount to reflect the duration of the member's actual qualifying service during the month. A member of a reserve component entitled to compensation under section 206 of this title who is authorized skill incentive pay under subsection (a) may be paid an amount of such pay that is proportionate to the compensation received by the member under section 206 of this title for inactive-duty training.

(2) PROFICIENCY BONUS.—A proficiency bonus under subsection (b) may be paid in a lump sum at the beginning of the proficiency certification period or in periodic installments during the proficiency certification period. The amount of the bonus may not exceed ~~$12,000~~ $21,000 for each 12-month period of certification. The Secretary concerned may not vary the criteria or rates for the proficiency bonus paid for officers and enlisted members.

(d) CERTIFIED PROFICIENCY FOR PROFICIENCY BONUS.—

(1) CERTIFICATION REQUIRED.—Proficiency in a designated critical skill for purposes of subsection (b) shall be subject to annual certification by the Secretary concerned.

(2) DURATION OF CERTIFICATION.—A certification period for purposes of subsection (c)(2) shall expire at the end of the one-year period beginning on the first day of the first month beginning on or after the certification date.

(3) WAIVER.—Notwithstanding paragraphs (1) and (2), the regulations prescribed to administer this section shall address the circumstances under which the Secretary concerned may waive the certification requirement under paragraph (1) or extend a certification period under paragraph (2).

(e) WRITTEN AGREEMENT.—

(1) DISCRETIONARY FOR SKILL INCENTIVE PAY.—The Secretary concerned may require a member to enter into a written agreement with the Secretary in order to qualify for the payment of skill incentive pay under subsection (a). The written agreement shall specify the period for which the skill incentive pay will be paid to the member and the monthly rate of the pay.

(2) REQUIRED FOR PROFICIENCY BONUS.—The Secretary concerned shall require a member to enter into a written agreement with the Secretary in order to qualify for payment of a proficiency bonus under subsection (b). The written agreement shall specify the amount of the proficiency bonus, the period for which the bonus will be paid, and the initial certification or recertification necessary for payment of the proficiency bonus.

(f) FOREIGN LANGUAGE STUDIES IN OFFICER TRAINING PROGRAMS.—

(1) AVAILABILITY OF INCENTIVE PAY.—The Secretary concerned may pay incentive pay to a person enrolled in an officer training program to also participate in an education or training program to acquire proficiency in a critical foreign language or expertise in foreign cultural studies or a related skill designated as critical by the Secretary concerned.

(2) INCLUSION OF CERTAIN SENIOR ROTC MEMBERS.—Incentive pay may be paid under this subsection to a student who is enrolled in the Senior Reserve Officers' Training Corps program even though the student is in the first year of the four-year course under the program. While the student receives the incentive pay, the student shall also be entitled to a monthly subsistence allowance under section 209(c) of this title even though the student has not entered into an agreement under section 2103a of title 10. However, if the student receives a proficiency bonus under subsection (b)(2) covering the same month, the student may receive only a single monthly subsistence allowance under section 209(c) of this title.

(3) CRITICAL FOREIGN LANGUAGE DEFINED.—In this section, the term "critical foreign language" includes Arabic, Korean, Japanese, Chinese, Pashto, Persian-Farsi, Serbian-Croatian, Russian, Portuguese, or other language designated as critical by the Secretary concerned.

(g) REPAYMENT.—A member who receives skill incentive pay or a proficiency bonus under this section and who fails to fulfill the eligibility requirement for receipt of the pay or bonus shall be subject to the repayment provisions of section 373 of this title.

(h) RELATIONSHIP TO OTHER PAYS AND ALLOWANCES.—A member may not be paid more than one pay under this section in any month for the same period of service and skill. A member may be paid skill incentive pay or the proficiency bonus under this section in addition to any other pay and allowances to which the member is entitled, except that a member may not be paid skill incentive pay or a proficiency bonus under this section and hazardous duty pay under section 351 of this title for the same period of service in the same career field or skill.

(i) TERMINATION OF AUTHORITY.—No agreement may be entered into under this section after December 31, 2024.

SEC. ___. REIMBURSEMENT OF EXPENSES AND PROPERTY DAMAGE FOR VICTIMS OF DESIGNATED OFFENSES UNDER THE UNIFORM CODE OF MILITARY JUSTICE.

(a) MILITARY CRIME VICTIMS REIMBURSEMENT.—Chapter 53 of title 10, United States Code, is amended by inserting after section 1044f the following new section:

"**§ 1044g. Military crime victims reimbursement**

"(a) REIMBURSEMENT AUTHORIZED.—The Secretary of Defense may authorize the Secretaries of the military departments to provide, and the Secretaries of the military departments may provide, payments to victims of designated offenses for prescribed unreimbursed expenses and property damage in accordance with the regulations prescribed under subsection (b).

"(b) REGULATIONS.—The Secretary of Defense shall prescribe regulations pursuant to which a victim of a designated offense may apply for and receive reimbursement payments under this section. Such regulations shall provide—

"(1) that a victim of a designated offense may apply to the Secretary of a military department for a reimbursement payment;

"(2) that a reimbursement payment to a victim shall be for an amount determined by the Secretary of a military department that is sufficient to reimburse the victim for health care expenses, travel expenses, and expenses for property damage or loss resulting from the designated offense, subject to such limits as the Secretary of Defense may prescribe in the regulations;

"(3) that a reimbursement payment may not be made for any expenses for which a victim receives reimbursement from other sources, including insurance claims;

"(4) that the eligibility of a victim to receive payments is subject to such terms, conditions, and other requirements as the Secretary of Defense may prescribe in the regulations; and

"(5) procedures for determining whether a person qualifies as a victim for purposes of this section.

"(c) DEFINITIONS.—In this section:

"(1) The term 'designated offense' means—

"(A) an offense under section 917a (article 117a), section 918 (article 118), section 919 (article 119), section 919a (article 119a), section 920 (article 120), section 920b (article 120b), section 920c (article 120c), section 922 (article 122), section 925 (article 125), section 928a (article 128a), section 928b (article 128b), or section 930 (article 130), or the standalone offense of producing child pornography punishable under section 934 (article 134) of this title; or

"(B) an attempt to commit an offense specified in subparagraph (A) as punishable under section 880 (article 80) of this title.

"(2) The term 'victim' means an individual who has been determined to have suffered direct physical, emotional, or pecuniary harm as a result of the commission of a designated offense under the regulations prescribed by the Secretary of Defense under subsection (b).".

(b) INITIAL REGULATIONS.—The Secretary of Defense shall prescribe regulations under section 1044g(b) of title 10, United States Code, as added by subsection (a), not later than one year after the date of enactment of this Act.

(c) APPLICABILITY.—Section 1044g of title 10, United States Code, as added by subsection (a), shall only apply with respect to individuals who—

(1) are victims of designated offenses that occur on or after the effective date of the regulations prescribed under subsection (b) of such section 1044g; and

(2) apply for payment after such effective date.

Section-by-Section Analysis

This proposal would authorize the Secretary of Defense to provide reimbursement payments to victims of specified offenses in violation of the Uniform Code of Military Justice (UCMJ). Victims of violent offenses tried in civilian criminal justice systems generally have access to means to seek recompense for financial losses directly arising from the offense. This proposal would establish a similar means to provide recompense to victims of comparable crimes by those subject to the UCMJ for out-of-pocket expenses and property loss or damage resulting from the offense. The Department contemplates that the payments would be administered by the Military Departments through existing claims programs.

Resource Information: The table below reflects the best estimate of resources requested within the Fiscal Year (FY) 2025 President's Budget that are impacted by this proposal.

RESOURCE IMPACT ($MILLIONS)									
Program	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**Appropriation**	**Budget Activity**	**BLI/SAG**	**Program Element (for all RDT&E programs)**
Reimbursement payments	0	7.3	7.54	7.79	8.04	Operation and Maintenance, Army	04	43-431	
Reimbursement payments	0	4.09	4.23	4.37	4.5	Operation and Maintenance, Navy	04	4A-4A1M	
Reimbursement payments	0	3.92	4.05	4.18	4.31	Operation and Maintenance, Air Force	04	50-042A	
Reimbursement payments	0	2.49	2.58	2.66	2.74	Operation and Maintenance, Marine Corps	04	4A-4A4G	
Total	0	17.8	18.4	19	19.59				

Changes to Existing Law: This proposal adds a new section to chapter 53 of title 10, United States Code, the full text of which is shown in the legislative language above.