

AFFIRMING COST SAVINGS WITHIN THE DOD THROUGH THE CMO

Senator Manchin

The FY21 NDAA seeks to **terminate the position of Department of Defense (DoD) Chief Management Officer (CMO)** next year, reassign those duties to the Deputy Secretary of Defense (DSD), and another newly created position, the Performance Improvement Officer (PIO). The reasoning for terminating this position originates from a Defense Business Board report, which states that the position has been ineffective due to unclear authority from the lack of an official charter and DoD cultural resistance to the creation of this new position.

CMO Timeline:

- 2005: a GAO study recommended DoD create a standalone CMO position
- 2007: DoD slowed the process and ultimately declined to create a CMO position. Instead assigning CMO responsibilities of business practices reform and safeguarding against fraud, waste, and abuse to the DSD.
- 2008: the FY08 NDAA supported this delegation of responsibilities and created a Deputy CMO position subordinate to the DSD.
- 2018: the FY17 NDAA created a standalone CMO position and places that official as third-in-command of DoD, placing this person in an authority position over the Secretaries of the Army, Navy, and Air Force.
- 2020: the FY21 NDAA seeks to terminate the CMO position, redelegate those responsibilities back to the DSD and create the position of PIO, which sounds exactly like the previous position of Deputy CMO.

Ensuring the success of the CMO

In response, various amendments were proposed that would, in coordination with the Deputy Secretary of Defense, provide a Charter to the CMO confirming the position's authority within DoD, and call for a report into solving the issues identified by the Defense Business Review Board.

In the report by the Defense Business Board, the lack of a charter for the position of CMO is the only tangible reason stated as to why the position should be terminated. It is also stated that it has been decades since DoD has experience any transformational business reform, and that this has severely impacted readiness and the ability to respond to rapidly developing threats.

Since the original GAO report in 2005 Congress has put forth language at least twice within separate NDAs to provide DoD with the tools to provide "transformational business reform." Cultural bias within the Department and lack of guidance since 2005 have created a greater problem and lost another decade of opportunities for cost savings.

The best solution at this point is not to move the responsibilities of Chief Management Officer back to the Deputy Secretary of Defense and hope that it works this time. Instead Congress should reaffirm our mandate for cost savings from the Department of Defense by requiring the Secretary of Defense to issue an official charter for the position of CMO to codify that position's authority within the hierarchy of the Department.