

118TH CONGRESS
1ST SESSION

S. 2040

To reinstate the position of Chief Management Officer of the Department of Defense, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 15, 2023

Mr. BRAUN (for himself and Mr. MANCHIN) introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

To reinstate the position of Chief Management Officer of the Department of Defense, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Pentagon Management
5 Oversight Act of 2023”.

6 **SEC. 2. REINSTATEMENT OF POSITION OF CHIEF MANAGE-**
7 **MENT OFFICER OF DEPARTMENT OF DE-**
8 **FENSE.**

9 (a) REINSTATEMENT OF POSITION.—

1 (1) IN GENERAL.—Chapter 4 of title 10, United
2 States Code, is amended by inserting after the item
3 relating to section 132 the following new item:

4 **“§ 132a. Chief Management Officer**

5 “(a) APPOINTMENT AND QUALIFICATIONS.—(1)
6 There is a Chief Management Officer of the Department
7 of Defense, appointed from civilian life by the President,
8 by and with the advice and consent of the Senate.

9 “(2) The Chief Management Officer shall be ap-
10 pointed from among persons who have an extensive man-
11 agement or business background and experience with man-
12 aging large or complex organizations. A person may not
13 be appointed as Chief Management Officer within seven
14 years after relief from active duty as a commissioned offi-
15 cer of a regular component of an armed force.

16 “(b) RESPONSIBILITIES.—Subject to the authority,
17 direction, and control of the Secretary of Defense and the
18 Deputy Secretary of Defense, the Chief Management Offi-
19 cer shall perform such duties and exercise such powers as
20 the Secretary or the Deputy Secretary may prescribe, in-
21 cluding the following:

22 “(1) Serving as the chief management officer of
23 the Department of Defense with the mission of man-
24 aging enterprise business operations and shared
25 services of the Department of Defense.

1 “(2) Serving as the principal advisor to the Sec-
2 retary and the Deputy Secretary on establishing
3 policies for, and directing, all enterprise business op-
4 erations of the Department, including planning and
5 processes, business transformation, and performance
6 measurement and management activities and pro-
7 grams, including the allocation of resources for en-
8 terprise business operations and unifying business
9 management efforts across the Department.

10 “(3) Exercising authority, direction, and control
11 over the Defense Agencies and Department of De-
12 fense Field Activities providing shared business serv-
13 ices for the Department.

14 “(4) Authority to direct the Secretaries of the
15 military departments and the heads of all other ele-
16 ments of the Department with regard to matters for
17 which the Chief Management Officer has responsi-
18 bility under this section.

19 “(5) Serving as the official with principal re-
20 sponsibility in the Department for minimizing the
21 duplication of efforts, maximizing efficiency and ef-
22 fectiveness, and establishing metrics for performance
23 among and for all organizations and elements of the
24 Department.

1 “(c) BUDGET AUTHORITY.—(1)(A) Beginning in fis-
2 cal year 2025, the Secretary of Defense, acting through
3 the Under Secretary of Defense (Comptroller), shall re-
4 quire the head of each Defense Agency and Department
5 of Defense Field Activity (other than such agencies and
6 activities that are under the direction of the Director of
7 National Intelligence or are elements of the intelligence
8 community) to transmit the proposed budget of such
9 Agency or Activity for enterprise business operations for
10 a fiscal year, and for the period covered by the future-
11 years defense program submitted to Congress under sec-
12 tion 221 of this title for that fiscal year, to the Chief Man-
13 agement Officer for review under subparagraph (B) at the
14 same time the proposed budget is submitted to the Under
15 Secretary of Defense (Comptroller).

16 “(B) The Chief Management Officer shall review
17 each proposed budget transmitted under subparagraph
18 (A) and, not later than January 31 of the year preceding
19 the fiscal year for which the budget is proposed, shall sub-
20 mit to the Secretary a report containing the comments of
21 the Chief Management Officer with respect to all such pro-
22 posed budgets, together with the certification of the Chief
23 Management Officer regarding whether each such pro-
24 posed budget achieves the required level of efficiency and
25 effectiveness for enterprise business operations, consistent

1 with guidance for budget review established by the Chief
2 Management Officer.

3 “(C) Not later than March 31 each year, the Sec-
4 retary shall submit to Congress a report that includes the
5 following:

6 “(i) Each proposed budget for the enterprise
7 business operations of a Defense Agency or Depart-
8 ment of Defense Field Activity that was transmitted
9 to the Chief Management Officer under subpara-
10 graph (A).

11 “(ii) Identification of each proposed budget con-
12 tained in the most recent report submitted under
13 subparagraph (B) that the Chief Management Offi-
14 cer did not certify as achieving the required level of
15 efficiency and effectiveness for enterprise business
16 operations.

17 “(iii) A discussion of the actions that the Sec-
18 retary proposes to take, together with any rec-
19 ommended legislation that the Secretary considers
20 appropriate, to address inadequate levels of effi-
21 ciency and effectiveness for enterprise business oper-
22 ations achieved by the proposed budgets identified in
23 the report.

24 “(iv) Any additional comments that the Sec-
25 retary considers appropriate regarding inadequate

1 levels of efficiency and effectiveness for enterprise
2 business operations achieved by the proposed budg-
3 ets.

4 “(2) Nothing in this subsection shall be construed to
5 modify or interfere with the budget-related responsibilities
6 of the Director of National Intelligence.

7 “(d) PRECEDENCE.—The Chief Management Officer
8 takes precedence in the Department of Defense after the
9 Secretary of Defense and the Deputy Secretary of De-
10 fense.

11 “(e) ENTERPRISE BUSINESS OPERATION DE-
12 FINED.—In this section, the term ‘enterprise business op-
13 erations’ means those activities that constitute the cross-
14 cutting business operations used by multiple components
15 of the Department of Defense, but not those activities that
16 are directly tied to a single military department or Depart-
17 ment of Defense component. The term includes business-
18 support functions designated by the Secretary of Defense
19 or the Deputy Secretary of Defense for purposes of this
20 section, such as aspects of financial management,
21 healthcare, acquisition and procurement, supply chain and
22 logistics, certain information technology, real property,
23 and human resources operations.”.

24 (2) CLERICAL AMENDMENT.—The table of sec-
25 tions at the beginning of chapter 4 of such title is

1 amended by inserting after the item relating to sec-
2 tion 132 the following new item:

“132a. Chief Management Officer.”.

3 (b) MANAGEMENT AND OVERSIGHT OF DEFENSE
4 BUSINESS SYSTEMS.—Section 2222 of such title is
5 amended—

6 (1) in subsection (c)(2), by striking “the Chief
7 Information Officer of the Department of Defense”
8 and inserting “the Chief Management Officer of the
9 Department of Defense”;

10 (2) in subsection (e)—

11 (A) in paragraph (1), by striking “the
12 Chief Information Officer” and inserting “the
13 Chief Management Officer”; and

14 (B) in paragraph (6)—

15 (i) in subparagraph (A), in the matter
16 preceding clause (i)—

17 (I) in the first sentence, by strik-
18 ing “The Chief Information Officer of
19 the Department of Defense, in coordi-
20 nation with the Chief Data and Artifi-
21 cial Intelligence Officer,” and insert-
22 ing “The Chief Management Officer
23 of the Department of Defense”; and

24 (II) in the second sentence, by
25 striking “the Chief Information Offi-

1 cer shall” and inserting “the Chief
2 Management Officer shall”; and

3 (ii) in subparagraph (B), in the mat-
4 ter preceding clause (i), by striking “The
5 Chief Information Officer” and inserting
6 “The Chief Management Officer”;

7 (3) in subsection (f)(1), in the second sentence,
8 by inserting “the Chief Management Officer and”
9 after “chaired by”;

10 (4) in subsection (g)(2), by striking “the Chief
11 Information Officer of the Department of Defense”
12 each place it appears and inserting “the Chief Man-
13 agement Officer of the Department of Defense”; and

14 (5) in subsection (i)(5)(B), by striking “the
15 Chief Information Officer” and inserting “the Chief
16 Management Officer”.

17 (c) CONFORMING AMENDMENT.—Section 131(b) of
18 title 10, United States Code, is amended by inserting after
19 paragraph (1) the following new paragraph (2):

20 “(2) The Chief Management Officer of the De-
21 partment of Defense.”.

22 (d) GUIDANCE REQUIRED.—Not later than 30 days
23 after the date of the enactment of this Act, the Secretary
24 of Defense shall—

1 (1) issue guidance to clearly delineate the au-
2 thorities and responsibilities of the Chief Manage-
3 ment Officer of the Department of Defense; and

4 (2) provide a charter for the position of the
5 Chief Management Officer to fully vest the authority
6 of the Chief Management Officer within the Depart-
7 ment of Defense.

8 (e) REPORT ON EFFECT OF LAPSE IN MANAGEMENT
9 OVERSIGHT ON DEFENSE BUSINESS SYSTEMS.—

10 (1) IN GENERAL.—Not later than 180 days
11 after the date of the enactment of this Act, the Dep-
12 uty Secretary of Defense shall submit to the con-
13 gressional defense committees a report on the effect
14 on defense business systems of the abolishment of
15 the position of Chief Management Officer and the
16 failure to reassign the responsibilities of the Chief
17 Management Officer with respect to defense business
18 systems for two years.

19 (2) DEFENSE BUSINESS SYSTEM DEFINED.—In
20 this subsection, the term “defense business system”
21 has the meaning given that term in section 2222(i)
22 of title 10, United States Code.

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