

**SEC. 1111. AVAILABILITY OF FUNDS FOR
COMPENSATION OF CERTAIN CIVILIAN EMPLOYEES OF
THE DEPARTMENT OF DEFENSE.**

(a) Availability of Funds- Funds authorized to be appropriated for the Department of Defense that are available for the purchase of contract services to meet a requirement that is anticipated to continue for five years or more shall be available to provide compensation for civilian employees of the Department to meet the same requirement.

(b) Regulations- Not later than 120 days after the date of the enactment of this Act, the Secretary shall prescribe regulations implementing the authority in subsection (a). Such regulations--

(1) shall ensure that the authority in subsection (a) is utilized to build government capabilities that are needed to perform inherently governmental functions, functions closely associated with inherently governmental functions, and other critical functions;

(2) shall include a mechanism to ensure that follow-on funding to provide compensation for civilian employees of the Department to perform functions described in paragraph (1) is provided from appropriate accounts; and

(3) may establish additional criteria and levels of approval within the Department for the utilization of funds to provide compensation for civilian employees of the Department pursuant to subsection (a).

(c) Annual Report- Not later than 60 days after the end of each fiscal year for which the authority in subsection (a) is in effect, the Secretary shall submit to the congressional defense committees a report on the use of such authority. Each report shall cover the preceding fiscal year and shall identify, at a minimum, the following:

(1) The amount of funds used under the authority in subsection (a) to provide compensation for civilian employees.

(2) The source or sources of the funds so used.

(3) The number of civilian employees employed through the use of such funds.

(4) The actions taken by the Secretary to ensure that follow-on funding for such civilian employees is provided through appropriate accounts.

(d) Temporary Authority- The authority in subsection (a) shall apply to funds authorized to be appropriated for the Department of Defense for fiscal years 2010 through 2019.