

One Hundred Third Congress
of the
United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Tuesday,
the twenty-fifth day of January, one thousand nine hundred and ninety-four*

An Act

To provide a more effective, efficient, and responsive Government.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Government Management Reform Act of 1994”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—LIMITATION ON PAY

Sec. 101. Limitation on certain annual pay adjustments.

TITLE II—HUMAN RESOURCE MANAGEMENT

Sec. 201. SES annual leave accumulation.

TITLE III—STREAMLINING MANAGEMENT CONTROL

Sec. 301. Authority to increase efficiency in reporting to Congress.

TITLE IV—FINANCIAL MANAGEMENT

Sec. 401. Short title.

Sec. 402. Electronic payments.

Sec. 403. Franchise fund pilot programs.

Sec. 404. Simplification of management reporting process.

Sec. 405. Annual financial reports.

TITLE I—LIMITATION ON PAY

SEC. 101. LIMITATION ON CERTAIN ANNUAL PAY ADJUSTMENTS.

Effective as of December 31, 1994—

(1) section 601(a)(2) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31(2)) is amended—

(A) by striking out “(2) Effective” and inserting in lieu thereof “(2)(A) Subject to subparagraph (B), effective”; and

(B) by adding at the end thereof the following:

“(B) In no event shall the percentage adjustment taking effect under subparagraph (A) in any calendar year (before rounding), in any rate of pay, exceed the percentage adjustment taking effect in such calendar year under section 5303 of title 5, United States Code, in the rates of pay under the General Schedule.”;

(2) section 104 of title 3, United States Code, is amended—

(A) in the first sentence by inserting “(a)” before “The”;

(B) in the second sentence by striking out “Effective” and inserting in lieu thereof “Subject to subsection (b), effective”; and

(C) by adding at the end thereof the following:

“(b) In no event shall the percentage adjustment taking effect under the second and third sentences of subsection (a) in any calendar year (before rounding) exceed the percentage adjustment taking effect in such calendar year under section 5303 of title 5 in the rates of pay under the General Schedule.”;

(3) section 5318 of title 5, United States Code, is amended—

(A) in the first sentence by striking out “Effective” and inserting in lieu thereof “(a) Subject to subsection (b), effective”; and

(B) by adding at the end thereof the following:

“(b) In no event shall the percentage adjustment taking effect under subsection (a) in any calendar year (before rounding), in any rate of pay, exceed the percentage adjustment taking effect in such calendar year under section 5303 in the rates of pay under the General Schedule.”; and

(4) section 461(a) of title 28, United States Code, is amended—

(A) by striking out “(a) Effective” and inserting in lieu thereof “(a)(1) Subject to paragraph (2), effective”; and

(B) by adding at the end thereof the following:

“(2) In no event shall the percentage adjustment taking effect under paragraph (1) in any calendar year (before rounding), in any salary rate, exceed the percentage adjustment taking effect in such calendar year under section 5303 of title 5 in the rates of pay under the General Schedule.”.

TITLE II—HUMAN RESOURCE MANAGEMENT

SEC. 201. SES ANNUAL LEAVE ACCUMULATION.

(a) IN GENERAL.—Effective on the first day of the first applicable pay period beginning after the date of the enactment of this Act, subsection (f) of section 6304 of title 5, United States Code, is amended to read as follows:

“(f)(1) This subsection applies with respect to annual leave accrued by an individual while serving in a position in—

“(A) the Senior Executive Service;

“(B) the Senior Foreign Service;

“(C) the Defense Intelligence Senior Executive Service;

“(D) the Senior Cryptologic Executive Service; or

“(E) the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service.

“(2) For purposes of applying any limitation on accumulation under this section with respect to any annual leave described in paragraph (1)—

“(A) ‘30 days’ in subsection (a) shall be deemed to read ‘90 days’; and

“(B) ‘45 days’ in subsection (b) shall be deemed to read ‘90 days’.”.

(b) USE OF EXCESS LEAVE.—Notwithstanding the amendment made by subsection (a), in the case of an employee who, on the effective date of subsection (a), is subject to subsection (f) of section

6304 of title 5, United States Code, and who has to such employee's credit annual leave in excess of the maximum accumulation otherwise permitted by subsection (a) or (b) of section 6304 (determined applying the amendment made by subsection (a)), such excess annual leave shall remain to the credit of the employee and be subject to reduction, in the same manner as provided in subsection (c) of section 6304.

TITLE III—STREAMLINING MANAGEMENT CONTROL

SEC. 301. AUTHORITY TO INCREASE EFFICIENCY IN REPORTING TO CONGRESS.

(a) **PURPOSE.**—The purpose of this title is to improve the efficiency of executive branch performance in implementing statutory requirements for reports to Congress and committees of Congress such as the elimination or consolidation of duplicative or obsolete reporting requirements and adjustments to deadlines that shall provide for more efficient workload distribution or improve the quality of reports.

(b) **AUTHORITY OF THE DIRECTOR.**—The Director of the Office of Management and Budget may publish annually in the budget submitted by the President to the Congress, recommendations for consolidation, elimination, or adjustments in frequency and due dates of statutorily required periodic reports to the Congress or committees of Congress. For each recommendation, the Director shall provide an individualized statement of the reasons that support the recommendation. In addition, for each report for which a recommendation is made, the Director shall state with specificity the exact consolidation, elimination, or adjustment in frequency or due date that is recommended.

(c) **RECOMMENDATIONS.**—The Director's recommendations shall be consistent with the purpose stated in subsection (a).

(d) **CONSULTATION.**—Before the publication of the recommendations under subsection (b), the Director or his designee shall consult with the appropriate congressional committees concerning the recommendations.

TITLE IV—FINANCIAL MANAGEMENT

SEC. 401. SHORT TITLE.

This title may be cited as the “Federal Financial Management Act of 1994”.

SEC. 402. ELECTRONIC PAYMENTS.

(a) **IN GENERAL.**—Section 3332 of title 31, United States Code, is amended to read as follows:

“§ 3332. Required direct deposit

“(a)(1) Notwithstanding any other provision of law, all Federal wage, salary, and retirement payments shall be paid to recipients of such payments by electronic funds transfer, unless another method has been determined by the Secretary of the Treasury to be appropriate.

“(2) Each recipient of Federal wage, salary, or retirement payments shall designate one or more financial institutions or other authorized payment agents and provide the payment certifying or authorizing agency information necessary for the recipient to receive electronic funds transfer payments through each institution so designated.

“(b)(1) The head of each agency shall waive the requirements of subsection (a) of this section for a recipient of Federal wage, salary, or retirement payments authorized or certified by the agency upon written request by such recipient.

“(2) Federal wage, salary, or retirement payments shall be paid to any recipient granted a waiver under paragraph (1) of this subsection by any method determined appropriate by the Secretary of the Treasury.

“(c)(1) The Secretary of the Treasury may waive the requirements of subsection (a) of this section for any group of recipients upon request by the head of an agency under standards prescribed by the Secretary of the Treasury.

“(2) Federal wage, salary, or retirement payments shall be paid to any member of a group granted a waiver under paragraph (1) of this subsection by any method determined appropriate by the Secretary of the Treasury.

“(d) This section shall apply only to recipients of Federal wage or salary payments who begin to receive such payments on or after January 1, 1995, and recipients of Federal retirement payments who begin to receive such payments on or after January 1, 1995.

“(e) The crediting of the amount of a payment to the appropriate account on the books of a financial institution or other authorized payment agent designated by a payment recipient under this section shall constitute a full acquittance to the United States for the amount of the payment.”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 33 of title 31, United States Code, is amended by amending the item for section 3332 to read:

“3332. Required direct deposit.”.

SEC. 403. FRANCHISE FUND PILOT PROGRAMS.

(a) ESTABLISHMENT.—There is authorized to be established on a pilot program basis in each of six executive agencies a franchise fund. The Director of the Office of Management and Budget, after consultation with the chairman and ranking members of the Committees on Appropriations and Governmental Affairs of the Senate, and the Committees on Appropriations and Government Operations of the House of Representatives, shall designate the agencies.

(b) USES.—Each such fund may provide, consistent with guidelines established by the Director of the Office of Management and Budget, such common administrative support services to the agency and to other agencies as the head of such agency, with the concurrence of the Director, determines can be provided more efficiently through such a fund than by other means. To provide such services, each such fund is authorized to acquire the capital equipment, automated data processing systems, and financial management and management information systems needed. Services shall be provided by such funds on a competitive basis.

(c) FUNDING.—(1) There are authorized to be appropriated to the franchise fund of each agency designated under subsection (a) such funds as are necessary to carry out the purposes of the fund, to remain available until expended. To the extent that unexpended balances remain available in other accounts for the purposes to be carried out by the fund, the head of the agency may transfer such balances to the fund.

(2) Fees for services shall be established by the head of the agency at a level to cover the total estimated costs of providing such services. Such fees shall be deposited in the agency's fund to remain available until expended, and may be used to carry out the purposes of the fund.

(3) Existing inventories, including inventories on order, equipment, and other assets or liabilities pertaining to the purposes of the fund may be transferred to the fund.

(d) REPORT ON PILOT PROGRAMS.—Within 6 months after the end of fiscal year 1997, the Director of the Office of Management and Budget shall forward a report on the results of the pilot programs to the Committees on Appropriations of the Senate and of the House of Representatives, and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives. The report shall contain the financial and program performance results of the pilot programs, including recommendations for—

(1) the structure of the fund;

(2) the composition of the funding mechanism;

(3) the capacity of the fund to promote competition; and

(4) the desirability of extending the application and implementation of franchise funds to other Federal agencies.

(e) PROCUREMENT.—Nothing in this section shall be construed as relieving any agency of any duty under applicable procurement laws.

(f) TERMINATION.—The provisions of this section shall expire on October 1, 1999.

SEC. 404. SIMPLIFICATION OF MANAGEMENT REPORTING PROCESS.

(a) IN GENERAL.—To improve the efficiency of executive branch performance in implementing statutory requirements for financial management reporting to the Congress and its committees, the Director of the Office of Management and Budget may adjust the frequency and due dates of or consolidate any statutorily required reports of agencies to the Office of Management and Budget or the President and of agencies or the Office of Management and Budget to the Congress under any laws for which the Office of Management and Budget has financial management responsibility, including—

(1) chapters 5, 9, 11, 33, 35, 37, 39, 75, and 91 of title 31, United States Code;

(2) the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 note; Public Law 101-410; 104 Stat. 890).

(b) APPLICATION.—The authority provided in subsection (a) shall apply only to reports of agencies to the Office of Management and Budget or the President and of agencies or the Office of Management and Budget to the Congress required by statute to be submitted between January 1, 1995, and September 30, 1997.

(c) ADJUSTMENTS IN REPORTING.—The Director may consolidate or adjust the frequency and due dates of any statutorily required reports under subsections (a) and (b) only after—

- (1) consultation with the Chairman of the Senate Committee on Governmental Affairs and the Chairman of the House of Representatives Committee on Government Operations; and
- (2) written notification to the Congress, no later than February 8 of each fiscal year covered under subsection (b) for those reports required to be submitted during that fiscal year.

SEC. 405. ANNUAL FINANCIAL REPORTS.

(a) FINANCIAL STATEMENTS.—Section 3515 of title 31, United States Code, is amended to read as follows:

“§ 3515. Financial statements of agencies

“(a) Not later than March 1 of 1997 and each year thereafter, the head of each executive agency identified in section 901(b) of this title shall prepare and submit to the Director of the Office of Management and Budget an audited financial statement for the preceding fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency.

“(b) Each audited financial statement of an executive agency under this section shall reflect—

“(1) the overall financial position of the offices, bureaus, and activities covered by the statement, including assets and liabilities thereof; and

“(2) results of operations of those offices, bureaus, and activities.

“(c) The Director of the Office of Management and Budget shall identify components of executive agencies that shall be required to have audited financial statements meeting the requirements of subsection (b).

“(d) The Director of the Office of Management and Budget shall prescribe the form and content of the financial statements of executive agencies under this section, consistent with applicable accounting and financial reporting principles, standards, and requirements.

“(e) The Director of the Office of Management and Budget may waive the application of all or part of subsection (a) for financial statements required for fiscal years 1996 and 1997.

“(f) Not later than March 1 of 1995 and 1996, the head of each executive agency identified in section 901(b) of this title and designated by the Director of the Office of Management and Budget shall prepare and submit to the Director of the Office of Management and Budget an audited financial statement for the preceding fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency.

“(g) Not later than March 31 of 1995 and 1996, for executive agencies not designated by the Director of the Office of Management and Budget under subsection (f), the head of each executive agency identified in section 901(b) of this title shall prepare and submit to the Director of the Office of Management and Budget a financial statement for the preceding fiscal year, covering—

“(1) each revolving fund and trust fund of the agency;
and

“(2) to the extent practicable, the accounts of each office, bureau, and activity of the agency which performed substantial commercial functions during the preceding fiscal year.

“(h) For purposes of subsection (g), the term ‘commercial functions’ includes buying and leasing of real estate, providing insurance, making loans and loan guarantees, and other credit programs and any activity involving the provision of a service or thing for which a fee, royalty, rent, or other charge is imposed by an agency for services and things of value it provides.”.

(b) AUDITS BY AGENCIES.—Subsection 3521(f) of title 31, United States Code, is amended to read as follows:

“(f)(1) For each audited financial statement required under subsections (a) and (f) of section 3515 of this title, the person who audits the statement for purpose of subsection (e) of this section shall submit a report on the audit to the head of the agency. A report under this subsection shall be prepared in accordance with generally accepted government auditing standards.

“(2) Not later than June 30 following the fiscal year for which a financial statement is submitted under subsection (g) of section 3515 of this title, the person who audits the statement for purpose of subsection (e) of this section shall submit a report on the audit to the head of the agency. A report under this subsection shall be prepared in accordance with generally accepted government auditing standards.”.

(c) GOVERNMENTWIDE FINANCIAL STATEMENT.—Section 331 of title 31, United States Code, is amended by adding the following new subsection:

“(e)(1) Not later than March 31 of 1998 and each year thereafter, the Secretary of the Treasury, in coordination with the Director of the Office of Management and Budget, shall annually prepare and submit to the President and the Congress an audited financial statement for the preceding fiscal year, covering all accounts and associated activities of the executive branch of the United States Government. The financial statement shall reflect the overall financial position, including assets and liabilities, and results of operations of the executive branch of the United States Government, and shall be prepared in accordance with the form and content requirements set forth by the Director of the Office of Management and Budget.

S. 2170—8

“(2) The Comptroller General of the United States shall audit the financial statement required by this section.”.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*