

Calendar No. 458103^D CONGRESS
2^D SESSION**S. 2170****[Report No. 103-281]**

IN THE SENATE OF THE UNITED STATES

JUNE 9 (legislative day, JUNE 7), 1994

Mr. GLENN, from the Committee on Governmental Affairs, reported the following bill; which was read twice and placed on the calendar

A BILL

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

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 AND TABLE OF CONTENTS.**

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

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

Sec. 1. Short title and table of contents.

TITLE I—LIMITATION ON PAY AND REDUCTION OF POSITIONS

- Sec. 101. Limitation on certain annual pay adjustments.
- Sec. 102. Reduction of Federal full-time equivalent positions.

TITLE II—HUMAN RESOURCE MANAGEMENT

- Sec. 201. Federal workforce training.
- Sec. 202. SES annual leave accumulation.

TITLE III—STREAMLINING MANAGEMENT CONTROL

- Sec. 301. Authority to increase efficiency in reporting to Congress.
- Sec. 302. Transfer of Davis-Bacon functions.

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.
- Sec. 406. Authorization of appropriations for enhancing debt collection.
- Sec. 407. Contracts for collection services.
- Sec. 408. Notification to agencies of debtors' mailing addresses.
- Sec. 409. Contracts for private counsel services.
- Sec. 410. Adjusting civil monetary penalties for inflation.

1 **TITLE I—LIMITATION ON PAY**
 2 **AND REDUCTION OF POSITIONS**

3 **SEC. 101. LIMITATION ON CERTAIN ANNUAL PAY ADJUST-**
 4 **MENTS.**

5 Effective as of December 31, 1994—

6 (1) section 601(a)(2) of the Legislative Reorga-
 7 nization Act of 1946 (2 U.S.C. 31(2)) is amended—

8 (A) by striking out “(2) Effective” and in-
 9 serting in lieu thereof “(2)(A) Subject to sub-
 10 paragraph (B), effective”; and

11 (B) by adding at the end thereof the fol-
 12 lowing:

13 “(B) In no event shall the percentage adjustment tak-
 14 ing effect under subparagraph (A) in any calendar year

1 (before rounding), in any rate of pay, exceed the percent-
2 age adjustment taking effect in such calendar year under
3 section 5303 of title 5, United States Code, in the rates
4 of pay under the General Schedule.”;

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

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

9 (B) in the second sentence by striking out
10 “Effective” and inserting in lieu thereof “Sub-
11 ject to subsection (b), effective”; and

12 (C) by adding at the end thereof the fol-
13 lowing:

14 “(b) In no event shall the percentage adjustment tak-
15 ing effect under the second and third sentences of sub-
16 section (a) in any calendar year (before rounding) exceed
17 the percentage adjustment taking effect in such calendar
18 year under section 5303 of title 5 in the rates of pay under
19 the General Schedule.”;

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

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

1 (B) by adding at the end thereof the fol-
 2 lowing:

3 “(b) In no event shall the percentage adjust-
 4 ment taking effect under subsection (a) in any calendar year (be-
 5 fore rounding), in any rate of pay, exceed the percentage
 6 adjustment taking effect in such calendar year under sec-
 7 tion 5303 in the rates of pay under the General Sched-
 8 ule.”; and

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

11 (A) by striking out “(a) Effective” and in-
 12 serting in lieu thereof “(a)(1) Subject to para-
 13 graph (2), effective”; and

14 (B) by adding at the end thereof the fol-
 15 lowing:

16 “(2) In no event shall the percentage adjust-
 17 ment taking effect under paragraph (1) in any calendar year (be-
 18 fore rounding), in any salary rate, exceed the percentage
 19 adjustment taking effect in such calendar year under sec-
 20 tion 5303 of title 5 in the rates of pay under the General
 21 Schedule.”.

22 **SEC. 102. REDUCTION OF FEDERAL FULL-TIME EQUIVA-**
 23 **LENT POSITIONS.**

24 (a) DEFINITION.—For purposes of this section, the
 25 term “agency” means an Executive agency as defined

1 under section 105 of title 5, United States Code, but does
2 not include the General Accounting Office.

3 (b) LIMITATIONS ON FULL-TIME EQUIVALENT POSI-
4 TIONS.—The President, through the Office of Manage-
5 ment and Budget (in consultation with the Office of Per-
6 sonnel Management), shall ensure that the total number
7 of full-time equivalent positions in all agencies shall not
8 exceed—

9 (1) 2,095,182 during fiscal year 1994;

10 (2) 2,044,100 during fiscal year 1995;

11 (3) 2,003,846 during fiscal year 1996;

12 (4) 1,963,593 during fiscal year 1997;

13 (5) 1,923,339 during fiscal year 1998; and

14 (6) 1,883,086 during fiscal year 1999.

15 (c) MONITORING AND NOTIFICATION.—The Office of
16 Management and Budget, after consultation with the Of-
17 fice of Personnel Management, shall—

18 (1) continuously monitor all agencies and make
19 a determination on the first date of each quarter of
20 each applicable fiscal year of whether the require-
21 ments under subsection (b) are met; and

22 (2) notify the President and the Congress on
23 the first date of each quarter of each applicable fis-
24 cal year of any determination that any requirement
25 of subsection (b) is not met.

1 (d) COMPLIANCE.—If at any time during a fiscal
 2 year, the Office of Management and Budget notifies the
 3 President and the Congress that any requirement under
 4 subsection (b) is not met, no agency may hire any em-
 5 ployee for any position in such agency until the Office of
 6 Management and Budget notifies the President and the
 7 Congress that the total number of full-time equivalent po-
 8 sitions for all agencies equals or is less than the applicable
 9 number required under subsection (b).

10 (e) WAIVER.—Any provision of this section may be
 11 waived upon—

12 (1) a determination by the President of the ex-
 13 istence of war or a national emergency; or

14 (2) the enactment of a joint resolution upon an
 15 affirmative vote of three-fifths of the Members of
 16 each House of the Congress duly chosen and sworn.

17 **TITLE II—HUMAN RESOURCE**
 18 **MANAGEMENT**

19 **SEC. 201. FEDERAL WORKFORCE TRAINING.**

20 (a) IN GENERAL.—Chapter 41 of title 5, United
 21 States Code, is amended—

22 (1) in section 4101(4) by striking out “fields”
 23 and all that follows through the semicolon and in-
 24 serting in lieu thereof “fields which will improve in-
 25 dividual and organizational performance and assist

1 in achieving the agency’s mission and performance
2 goals;”;

3 (2) in section 4103—

4 (A) in subsection (a)—

5 (i) by striking out “In” and all that
6 follows through “maintain” and inserting
7 in lieu thereof “In order to assist in
8 achieving an agency’s mission and per-
9 formance goals by improving employee and
10 organizational performance, the head of
11 each agency, in conformity with this chap-
12 ter, shall establish, operate, maintain, and
13 evaluate”;

14 (ii) by striking out “and” at the end
15 of paragraph (2);

16 (iii) by redesignating paragraph (3) as
17 paragraph (4); and

18 (iv) by inserting after paragraph (2)
19 the following:

20 “(3) provide that information concerning the
21 selection and assignment of employees for training
22 and the applicable training limitations and restric-
23 tions be made available to employees of the agency;
24 and”;

25 (B) in subsection (b)—

1 (i) in paragraph (1) by striking out
2 “determines” and all that follows through
3 the period and inserting in lieu thereof
4 “determines that such training would be in
5 the interests of the Government.”; and

6 (ii) by striking out paragraph (2) and
7 redesignating paragraph (3) as paragraph
8 (2);

9 (3) in section 4105—

10 (A) in subsection (a) by striking out “(a)”;

11 and

12 (B) by striking out subsections (b) and (c);

13 (4) by repealing section 4106;

14 (5) in section 4107—

15 (A) by amending the section heading to
16 read as follows:

17 **“§ 4107. Restriction on degree training”;**

18 (B) by striking out subsections (a) and (b)
19 and redesignating subsections (c) and (d) as
20 subsections (a) and (b), respectively;

21 (C) by amending subsection (a) (as so re-
22 designated)—

23 (i) by striking out “subsection (d)”
24 and inserting in lieu thereof “subsection
25 (b)”;

1 (ii) by striking out “by, in, or through
2 a non-Government facility”; and

3 (D) by amending paragraph (1) of sub-
4 section (b) (as so redesignated) by striking out
5 “subsection (c)” and inserting in lieu thereof
6 “subsection (a)”;

7 (6) in section 4108(a) by striking out “by, in,
8 or through a non-Government facility under this
9 chapter” and inserting in lieu thereof “for more
10 than a minimum period prescribed by the head of
11 the agency”;

12 (7) in section 4113(b)—

13 (A) in the first sentence by striking out
14 “annually to the Office,” and inserting in lieu
15 thereof “to the Office, at least once every 3
16 years, and”; and

17 (B) by striking out the matter following
18 the first sentence and inserting in lieu thereof
19 the following: “The report shall set forth—

20 “(1) information needed to determine that
21 training is being provided in a manner which is in
22 compliance with applicable laws intended to protect
23 or promote equal employment opportunity; and

24 “(2) information concerning the expenditures of
25 the agency in connection with training and such

1 other information as the Office considers appro-
2 priate.”;

3 (8) by repealing section 4114; and

4 (9) in section 4118—

5 (A) in subsection (a)(7) by striking out
6 “by, in, and through non-Government facili-
7 ties”;

8 (B) by striking out subsection (b); and

9 (C) by redesignating subsections (c) and
10 (d) as subsections (b) and (c), respectively.

11 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

12 Title 5, United States Code, is amended—

13 (1) in section 3381(e) by striking out
14 “4105(a),” and inserting in lieu thereof “4105,”;
15 and

16 (2) in the table of sections for chapter 41—

17 (A) by repealing the items relating to sec-
18 tions 4106 and 4114; and

19 (B) by amending the item relating to sec-
20 tion 4107 to read as follows:

“4107. Restriction on degree training.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall become effective on the date of enact-
23 ment of this Act.

1 **SEC. 202. SES ANNUAL LEAVE ACCUMULATION.**

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

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

9 “(A) the Senior Executive Service;

10 “(B) the Senior Foreign Service;

11 “(C) the Defense Intelligence Senior Executive
12 Service;

13 “(D) the Senior Cryptologic Executive Service;

14 or

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

18 “(2) For purposes of applying any limitation on accu-
19 mulation under this section with respect to any annual
20 leave described in paragraph (1)—

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

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

25 (b) USE OF EXCESS LEAVE.—Notwithstanding the
26 amendment made by subsection (a), in the case of an em-

1 ployee who, on the effective date of subsection (a), is sub-
2 ject to subsection (f) of section 6304 of title 5, United
3 States Code, and who has to such employee's credit annual
4 leave in excess of the maximum accumulation otherwise
5 permitted by subsection (a) or (b) of section 6304 (deter-
6 mined applying the amendment made by subsection (a)),
7 such excess annual leave shall remain to the credit of the
8 employee and be subject to reduction, in the same manner
9 as provided in subsection (c) of section 6304.

10 **TITLE III—STREAMLINING**
11 **MANAGEMENT CONTROL**

12 **SEC. 301. AUTHORITY TO INCREASE EFFICIENCY IN RE-**
13 **PORTING TO CONGRESS.**

14 (a) PURPOSE.—The purpose of this title is to improve
15 the efficiency of executive branch performance in imple-
16 menting statutory requirements for reports to Congress
17 and committees of Congress such as the elimination or
18 consolidation of duplicative or obsolete reporting require-
19 ments and adjustments to deadlines that shall provide for
20 more efficient workload distribution or improve the quality
21 of reports.

22 (b) AUTHORITY OF THE DIRECTOR.—The Director of
23 the Office of Management and Budget may publish annu-
24 ally in the budget submitted by the President to the Con-
25 gress, recommendations for consolidation, elimination, or

1 adjustments in frequency and due dates of statutorily re-
2 quired periodic reports to the Congress or committees of
3 Congress. For each recommendation, the Director shall
4 provide an individualized statement of the reasons that
5 support the recommendation. In addition, for each report
6 for which a recommendation is made, the Director shall
7 state with specificity the exact consolidation, elimination,
8 or adjustment in frequency or due date that is rec-
9 ommended.

10 (c) RECOMMENDATIONS.—The Director’s rec-
11 ommendations shall be consistent with the purpose stated
12 in subsection (a).

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

17 **SEC. 302. TRANSFER OF DAVIS-BACON FUNCTIONS.**

18 (a) DAVIS-BACON ACT.—Section 3(a) of the Act of
19 March 3, 1931 (the Davis-Bacon Act) (40 U.S.C. 276a-
20 2(a)) is amended by striking out “Comptroller General of
21 the United States” each place it appears and inserting in
22 each such place “Secretary of Labor”.

23 (b) CONTRACT WORK HOURS AND SAFETY STAND-
24 ARDS ACT.—Section 104(a) of the Contract Work Hours
25 and Safety Standards Act (40 U.S.C. 330(a)) is amended

1 by striking out “Comptroller General of the United
2 States” in the last sentence and inserting in lieu thereof
3 “Secretary”.

4 (c) TRANSFER OF RECORDS.—The General Account-
5 ing Office shall transfer to the Department of Labor all
6 of the records and unexpended balances of funds held in
7 connection with the functions transferred under sub-
8 sections (a) and (b).

9 (d) SAVINGS PROVISIONS.—(1) No personnel shall be
10 transferred with the functions transferred under sub-
11 sections (a) and (b).

12 (2) All orders, determinations, rules, regulations, per-
13 mits, agreements, grants, contracts, certificates, licenses,
14 registrations, privileges, and other administrative ac-
15 tions—

16 (A) which have been issued, made, granted, or
17 allowed to become effective in the performance of
18 functions which are transferred under this section,
19 and

20 (B) which are in effect at the time this section
21 takes effect, or were final before the effective date
22 of this section and are to become effective on or
23 after the effective date of this section,

24 shall continue in effect according to their terms until
25 modified, terminated, superseded, set aside, or revoked in

1 accordance with law by the President, the Secretary of
2 Labor or other authorized official, a court of competent
3 jurisdiction, or by operation of law.

4 (3) The provisions of this section shall not affect any
5 proceedings, including notices of proposed rulemaking, or
6 any application for any license, permit, certificate, or fi-
7 nancial assistance pending before the General Accounting
8 Office at the time this section takes effect, with respect
9 to functions transferred by this section but such proceed-
10 ings and applications shall be continued. Orders shall be
11 issued in such proceedings, appeals shall be taken there-
12 from, and payments shall be made pursuant to such or-
13 ders, as if this section had not been enacted, and orders
14 issued in any such proceedings shall continue in effect
15 until modified, terminated, superseded, or revoked by a
16 duly authorized official, by a court of competent jurisdic-
17 tion, or by operation of law. Nothing in this paragraph
18 shall be deemed to prohibit the discontinuance or modi-
19 fication of any such proceeding under the same terms and
20 conditions and to the same extent that such proceeding
21 could have been discontinued or modified if this section
22 had not been enacted.

23 (4) The provisions of this section shall not affect suits
24 commenced before the effective date of this section, and
25 in all such suits, proceedings shall be had, appeals taken,

1 and judgments rendered in the same manner and with the
2 same effect as if this section had not been enacted.

3 (5) No suit, action, or other proceeding commenced
4 by or against the General Accounting Office, or by or
5 against any individual in the official capacity of such indi-
6 vidual as an officer of the General Accounting Office, shall
7 abate by reason of the enactment of this section.

8 (6) Any administrative action relating to the prepara-
9 tion or promulgation of a regulation by the General Ac-
10 counting Office relating to a function transferred under
11 this section may be continued by the Department of Labor
12 with the same effect as if this section had not been en-
13 acted.

14 (7) Reference in any other Federal law, Executive
15 order, rule, regulation, or delegation of authority, or any
16 document of or relating to—

17 (A) the Comptroller General with regard to
18 functions transferred under this section, shall be
19 deemed to refer to the Secretary of Labor; and

20 (B) the General Accounting Office with regard
21 to functions transferred under this section, shall be
22 deemed to refer to the Department of Labor.

1 **TITLE IV—FINANCIAL**
2 **MANAGEMENT**

3 **SEC. 401. SHORT TITLE.**

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

6 **SEC. 402. ELECTRONIC PAYMENTS.**

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

9 **“§ 3332. Required direct deposit**

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

15 “(2) Each recipient of Federal wage, salary, or retire-
16 ment payments shall designate one or more financial insti-
17 tutions or other authorized payment agents and provide
18 the payment certifying or authorizing agency information
19 necessary for the recipient to receive electronic funds
20 transfer payments through each institution so designated.

21 “(b)(1) The head of each agency shall waive the re-
22 quirements of subsection (a) of this section for a recipient
23 of Federal wage, salary, or retirement payments author-
24 ized or certified by the agency upon written request by
25 such recipient.

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

5 “(c)(1) The Secretary of the Treasury may waive the
6 requirements of subsection (a) of this section for any
7 group of recipients upon request by the head of an agency
8 under standards prescribed by the Secretary of the Treas-
9 ury.

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

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

19 “(e) The crediting of the amount of a payment to
20 the appropriate account on the books of a financial institu-
21 tion or other authorized payment agent designated by a
22 payment recipient under this section shall constitute a full
23 acquittance to the United States for the amount of the
24 payment.

1 “(f) For purposes of this section a Federal retirement
2 payment shall not include any benefit—

3 “(1) paid under title II of the Social Security
4 Act; or

5 “(2) payable under the Railroad Retirement Act
6 of 1974 (45 U.S.C. 231 et seq.)”.

7 (b) TECHNICAL AND CONFORMING AMENDMENT.—
8 The table of sections for chapter 33 of title 31, United
9 States Code, is amended by amending the item for section
10 3332 to read:

 “3332. Required direct deposit.”.

11 **SEC. 403. FRANCHISE FUND PILOT PROGRAMS.**

12 (a) ESTABLISHMENT.—There is authorized to be es-
13 tablished on a pilot program basis in each of four executive
14 agencies a franchise fund. The President, after consulta-
15 tion with the chairman and ranking members of the Com-
16 mittees on Appropriations and Governmental Affairs of
17 the Senate, and the Committees on Appropriations and
18 Government Operations of the House of Representatives,
19 shall designate the agencies. Two of the four agencies shall
20 be agencies with existing working capital funds that pro-
21 vide authorized services and two shall be agencies without
22 such funds.

23 (b) USES.—Each such fund may provide, consistent
24 with guidelines established by the President, such common
25 administrative support services to the agency and to other

1 agencies as the head of such agency, with the approval
2 of the President, determines can be provided more effi-
3 ciently through such a fund than by other means. To pro-
4 vide such services, each such fund is authorized to acquire
5 the capital equipment, automated data processing sys-
6 tems, and financial management and management infor-
7 mation systems needed. Services shall be provided by such
8 funds on a competitive basis.

9 (c) FUNDING.—(1) There are authorized to be appro-
10 priated to the franchise fund of each agency designated
11 under subsection (a) such funds as are necessary to carry
12 out the purposes of the fund, to remain available until ex-
13 pended.

14 (2) Fees for services provided shall be established by
15 the head of the agency at a level to cover the total esti-
16 mated costs of providing such services. Such fees shall be
17 deposited in the agency's fund to remain available until
18 expended, and may be used to carry out the purposes of
19 the fund.

20 (3) There are authorized to be transferred to the fund
21 of each agency established under subsection (a) the unobli-
22 gated amounts of that agency's appropriations available
23 for salaries and expenses for a fiscal year. The unobligated
24 amounts may be transferred to the agency's franchise
25 fund no later than the end of the succeeding fiscal year,

1 to remain available until expended to carry out the pur-
2 poses of the fund.

3 (4) The amount of unobligated balances to be trans-
4 ferred under paragraph (3) shall be determined by the
5 agency in consultation with the President and the Com-
6 mittees on Appropriations of the Senate and of the House
7 of Representatives. Any proposed use of these transferred
8 funds shall be made only after notification 15 days in ad-
9 vance to the Committees on Appropriations of the Senate
10 and Senate and the House of Representatives.

11 (d) REPORT ON PILOT PROGRAMS.—Within 6
12 months after the end of fiscal year 1997, the President
13 shall forward a report on the results of the pilot programs
14 to the Committees on Appropriations of the Senate and
15 of the House of Representatives, and to the Committee
16 on Governmental Affairs of the Senate and the Committee
17 on Government Operations of the House of Representa-
18 tives. The report shall contain the financial and program
19 performance results of the pilot programs, including rec-
20 ommendations for—

- 21 (1) the structure of the fund;
22 (2) the composition of the funding mechanism;
23 (3) the capacity of the fund to promote com-
24 petition; and

1 (4) the desirability of extending the application
2 and implementation of franchise funds to other Fed-
3 eral agencies.

4 (e) PROCUREMENT.—Nothing in this section shall be
5 construed as relieving any agency of any duty under appli-
6 cable procurement laws.

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

9 **SEC. 404. SIMPLIFICATION OF MANAGEMENT REPORTING**
10 **PROCESS.**

11 (a) IN GENERAL.—To improve the efficiency of exec-
12 utive branch performance in implementing statutory re-
13 quirements for financial management reporting to the
14 Congress and its committees, the Director of the Office
15 of Management and Budget may adjust the frequency and
16 due dates of or consolidate any statutorily required reports
17 of agencies to the Office of Management and Budget or
18 the President and of agencies or the Office of Management
19 and Budget to the Congress under any laws for which the
20 Office of Management and Budget has financial manage-
21 ment responsibility, including—

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

24 (2) the Inspector General Act of 1978 (5
25 U.S.C. App.);

1 (3) sections 6103 and 7213 of the Internal Rev-
2 enue Code of 1986, and section 3302 and chapter
3 37 of title 31, United States Code;

4 (4) chapter 39 of title 31, United States Code;
5 and

6 (5) the Federal Civil Penalties Inflation Adjust-
7 ment Act of 1990 (28 U.S.C. 2461 note; Public Law
8 101–410; 104 Stat. 890).

9 (b) APPLICATION.—The authority provided in sub-
10 section (a) shall apply only to reports of agencies to the
11 Office of Management and Budget or the President and
12 of agencies or the Office of Management and Budget to
13 the Congress required by statute to be submitted between
14 January 1, 1995, and September 30, 1997.

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

19 (1) consultation with the Chairman of the Sen-
20 ate Committee on Governmental Affairs and the
21 Chairman of the House of Representatives Commit-
22 tee on Government Operations; and

23 (2) written notification to the Congress, no
24 later than February 8 of each fiscal year covered

1 under subsection (b) for those reports required to be
2 submitted during that fiscal year.

3 **SEC. 405. ANNUAL FINANCIAL REPORTS.**

4 (a) FINANCIAL STATEMENTS.—Section 3515 of title
5 31, United States Code, is amended to read as follows:

6 **“§ 3515. Financial statements of agencies**

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

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

16 “(1) the overall financial position of the offices,
17 bureaus, and activities covered by the statement, in-
18 cluding assets and liabilities thereof; and

19 “(2) results of operations of those offices, bu-
20 reaus, and activities.

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

1 “(d) The Director of the Office of Management and
2 Budget shall prescribe the form and content of the finan-
3 cial statements of executive agencies under this section,
4 consistent with applicable accounting and financial report-
5 ing principles, standards, and requirements.

6 “(e) The Director of the Office of Management and
7 Budget may waive the application of all or part of sub-
8 section (a) for financial statements required for fiscal
9 years 1996 and 1997.

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

18 “(g) Not later than March 31 of 1995 and 1996, for
19 executive agencies not designated by the Director of the
20 Office of Management and Budget under subsection (f),
21 the head of each executive agency identified in section
22 901(b) of this title shall prepare and submit to the Direc-
23 tor of the Office of Management and Budget a financial
24 statement for the preceding fiscal year, covering—

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

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

7 “(h) For purposes of subsection (g), the term ‘com-
8 mercial functions’ includes buying and leasing of real es-
9 tate, providing insurance, making loans and loan guaran-
10 tees, and other credit programs and any activity involving
11 the provision of a service or thing for which a fee, royalty,
12 rent, or other charge is imposed by an agency for services
13 and things of value it provides.”.

14 (b) AUDITS BY AGENCIES.—Subsection 3521(f) of
15 title 31, United States Code, is amended to read as fol-
16 lows:

17 “(f)(1) For each audited financial statement required
18 under subsections (a) and (f) of section 3515 of this title,
19 the person who audits the statement for purpose of sub-
20 section (e) of this section shall submit a report on the
21 audit to the head of the agency. A report under this sub-
22 section shall be prepared in accordance with generally ac-
23 cepted government auditing standards.

24 “(2) Not later than June 30 following the fiscal year
25 for which a financial statement is submitted under sub-

1 section (g) of section 3515 of this title, the person who
2 audits the statement for purpose of subsection (e) of this
3 section shall submit a report on the audit to the head of
4 the agency. A report under this subsection shall be pre-
5 pared in accordance with generally accepted government
6 auditing standards.”.

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

10 “(e)(1) Not later than March 31 of 1998 and each
11 year thereafter, the Secretary of the Treasury, in coordi-
12 nation with the Director of the Office of Management and
13 Budget, shall annually prepare and submit to the Presi-
14 dent and the Congress an audited financial statement for
15 the preceding fiscal year, covering all accounts and associ-
16 ated activities of the executive branch of the United States
17 Government. The financial statement shall reflect the
18 overall financial position, including assets and liabilities,
19 and results of operations of the executive branch of the
20 United States Government, and shall be consistent with
21 applicable accounting and financial reporting principles,
22 standards, and requirements.

23 “(2) The Comptroller General of the United States
24 shall audit the financial statement required by this sec-
25 tion.”.

1 **SEC. 406. AUTHORIZATION OF APPROPRIATIONS FOR EN-**
2 **HANCING DEBT COLLECTION.**

3 (a) IN GENERAL.—Chapter 37 of title 31, United
4 States Code, is amended by adding after section 3720A
5 the following new section:

6 **“§ 3720B. Authorization of appropriations for enhanc-**
7 **ing debt collection**

8 “(a) To the extent and in the amounts provided in
9 advance in appropriations Acts—

10 “(1) an amount not to exceed 1 percent of the
11 delinquent debts collected for a program in 1 fiscal
12 year is authorized to be credited in the following fis-
13 cal year to a special fund for such program;

14 “(2) an amount not to exceed 10 percent of any
15 sustained annual increase in delinquent debt collec-
16 tions, as defined by the Director of the Office of
17 Management and Budget, is authorized to be cred-
18 ited to a special fund for such program; and

19 “(3) from amounts credited under paragraphs
20 (1) and (2), such sums as may be necessary are au-
21 thorized to be appropriated for the improvement of
22 that program’s debt collection activities, including,
23 but not limited to, account and loan servicing, delin-
24 quent debt collection and asset disposition.

1 “(b) Debt is defined as delinquent under standards
2 prescribed or to be prescribed by the Secretary of the
3 Treasury.

4 “(c) For direct loan and loan guarantee programs
5 subject to title V of the Congressional Budget Act of 1974,
6 amounts credited in accordance with section (a) shall be
7 considered administrative costs and shall not be included
8 in the estimated payments to the Government for the pur-
9 pose of calculating the cost of such programs.

10 “(d) This section shall apply only to collection of
11 debts—

12 “(1) for a program not within the Department
13 of Justice; and

14 “(2) not involving the assistance of the Depart-
15 ment of Justice.”.

16 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
17 The table of sections for subchapter II of chapter 37 of
18 title 31, United States Code, is amended by adding after
19 the item relating to section 3720A the following new item:

“3720B. Authorization of appropriations for enhancing debt collection.”.

20 **SEC. 407. CONTRACTS FOR COLLECTION SERVICES.**

21 Section 3701 of title 31, United States Code, is
22 amended—

23 (1) in subsection (d)—

1 (A) by striking out “and 3716–3719” and
2 inserting in lieu thereof “, 3716, and 3717”;
3 and

4 (B) by striking out “, the Social Security
5 Act (42 U.S.C. 301 et seq.),”;

6 (2) by adding at the end thereof the following
7 new subsection:

8 “(e) Section 3718 of this title does not apply to a
9 claim or debt under, or to an amount payable under, the
10 Social Security Act (42 U.S.C. 301 et seq.) owed by a
11 person receiving benefits under that Act or to a claim or
12 debt under, or to an amount payable under the Internal
13 Revenue Code of 1986.”.

14 **SEC. 408. NOTIFICATION TO AGENCIES OF DEBTORS’ MAIL-**
15 **ING ADDRESSES.**

16 Section 3720A of title 31, United States Code, is
17 amended by striking out “the individual’s home address.”
18 at the end of subsection (c) and inserting in lieu thereof
19 the following: “the person’s mailing address. Provision of
20 this information is authorized by section 6103(m)(2) of
21 the Internal Revenue Code of 1986.”.

22 **SEC. 409. CONTRACTS FOR PRIVATE COUNSEL SERVICES.**

23 Section 3718(b)(1)(A) of title 31, United States
24 Code, is amended by striking out “If the Attorney General
25 makes a contract for legal services to be furnished in any

1 judicial district of the United States under the first sen-
2 tence of this paragraph, the Attorney General shall use
3 his best efforts to obtain, from among attorneys regularly
4 engaged in the private practice of law in such district, at
5 least four such contracts with private individuals or firms
6 in such district.”.

7 **SEC. 410. ADJUSTING CIVIL MONETARY PENALTIES FOR IN-**
8 **FLATION.**

9 The Federal Civil Penalties Inflation Adjustment Act
10 of 1990 (28 U.S.C. 2461 note; Public Law 101-410; 104
11 Stat. 890) is amended—

12 (1) by amending section 4 to read as follows:

13 “CIVIL MONETARY PENALTY INFLATION ADJUSTMENT
14 REPORTS

15 “SEC. 4. The head of each agency shall—

16 “(1) by regulation, no later than September 30,
17 1994, and at least once every 4 years thereafter, ad-
18 just each civil monetary penalty provided by law
19 within the jurisdiction of the Federal agency, except
20 for any penalty under the Internal Revenue Code of
21 1986 by the inflation adjustment described under
22 section 5 and publish each such adjustment in the
23 Federal Register; and

24 “(2) provide a report to the Secretary of the
25 Treasury by November 15 of each year on all pen-
26 alties adjusted during the preceding fiscal year.”;

1 (2) by amending section 5(a) by striking out
2 “The adjustment described under paragraphs (4)
3 and (5)(A) of section 4” and inserting in lieu thereof
4 “The inflation adjustment”; and

5 (3) by adding after section 6 the following new
6 section:

7 “APPLICATION

8 “SEC. 7. Any increase to a civil monetary penalty re-
9 sulting from this Act shall apply only to violations which
10 occur after the date any such increase takes effect.”.

S 2170 RH—2

S 2170 RH—3

S 2170 RH—4

Calendar No. 458

103^D CONGRESS
2^D SESSION

S. 2170

[Report No. 103-281]

A BILL

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

JUNE 9 (legislative day; JUNE 7), 1994
Read twice and placed on the calendar