

112TH CONGRESS  
2D SESSION

# S. 2085

To strengthen employee cost savings suggestions programs within the Federal Government.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 9, 2012

Mr. PAUL (for himself, Mr. JOHNSON of Wisconsin, and Mr. LEE) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

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## A BILL

To strengthen employee cost savings suggestions programs within the Federal 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.**

4 This Act may be cited as the “Cost Savings Enhance-  
5 ments Act of 2012”.

6 **SEC. 2. COST SAVINGS ENHANCEMENTS.**

7 (a) IN GENERAL.—Section 4512 of title 5, United  
8 States Code, is amended—

9 (1) in subsection (a)—

1 (A) in the matter preceding paragraph (1),  
2 by inserting “or identification of surplus funds  
3 or unnecessary budget authority” after “mis-  
4 management”;

5 (B) in paragraph (2), by inserting “or  
6 identification” after “disclosure”; and

7 (C) in the matter following paragraph (2),  
8 by inserting “or identification” after “dis-  
9 closure”; and  
10 (2) by adding at the end the following:

11 “(c) The Inspector General of an agency or other  
12 agency employee designated under subsection (b) shall  
13 refer to the Chief Financial Officer of the agency any po-  
14 tential surplus funds or unnecessary budget authority  
15 identified by an employee, along with any recommenda-  
16 tions of the Inspector General or other agency employee.

17 “(d)(1) If the Chief Financial Officer of an agency  
18 determines that rescission of potential surplus funds or  
19 unnecessary budget authority identified by an employee  
20 would not hinder the effectiveness of the agency, except  
21 as provided in subsection (e), the head of the agency shall  
22 transfer the amount of the surplus funds or unnecessary  
23 budget authority from the applicable appropriations ac-  
24 count to the general fund of the Treasury.

1       “(2) Title X of the Congressional Budget and Im-  
2 poundment Control Act of 1974 (2 U.S.C. 681 et seq.)  
3 shall not apply to transfers under paragraph (1).

4       “(3) Any amounts transferred under paragraph (1)  
5 shall be deposited in the Treasury and used for deficit re-  
6 duction, except that in the case of a fiscal year for which  
7 there is no Federal budget deficit, such amounts shall be  
8 used to reduce the Federal debt (in such manner as the  
9 Secretary of the Treasury considers appropriate).

10       “(e) The head of an agency may retain not more than  
11 10 percent of amounts to be transferred to the general  
12 fund of the Treasury under subsection (d) for the purpose  
13 of paying a cash award under subsection (a) to the em-  
14 ployee who identified the surplus funds or unnecessary  
15 budget authority.

16       “(f)(1) The head of each agency shall submit to the  
17 Director of the Office of Personnel Management an annual  
18 report regarding—

19               “(A) each disclosure of possible fraud, waste, or  
20 mismanagement or identification of potentially sur-  
21 plus funds or unnecessary budget authority by an  
22 employee of the agency determined by the agency to  
23 have merit;

1           “(B) the total savings achieved through disclo-  
2           sures and identifications described in subparagraph  
3           (A); and

4           “(C) the number and amount of cash awards by  
5           the agency under subsection (a).

6           “(2)(A) The head of each agency shall include the  
7           information described in paragraph (1) in each budget re-  
8           quest of the agency submitted to the Office of Manage-  
9           ment and Budget as part of the preparation of the budget  
10          of the President submitted to Congress under section  
11          1105(a) of title 31, United States Code.

12          “(B) The Director of the Office of Personnel Manage-  
13          ment shall submit to Congress and the Government Ac-  
14          countability Office an annual report on Federal cost sav-  
15          ing and awards based on the reports submitted under sub-  
16          paragraph (A).

17          “(g) The Director of the Office of Personnel Manage-  
18          ment shall—

19                 “(1) ensure that the cash award program of  
20                 each agency complies with this section; and

21                 “(2) submit to Congress an annual certification  
22                 indicating whether the cash award program of each  
23                 agency complies with this section.

24          “(h) Not later than 3 years after the date of enact-  
25          ment of the Cost Savings Enhancements Act of 2012, and

1 every 3 years thereafter, the Comptroller General of the  
 2 United States shall submit to Congress a report on the  
 3 operation of the cost savings and awards program under  
 4 this section, including any recommendations for legislative  
 5 changes.”.

6 (b) OFFICERS ELIGIBLE FOR CASH AWARDS.—

7 (1) IN GENERAL.—Section 4509 of title 5,  
 8 United States Code, is amended to read as follows:

9 “§ 4509. Prohibition of cash award to certain officers

10 “(a) DEFINITIONS.—In this section, the term ‘agen-  
 11 cy’—

12 “(1) has the meaning given that term under  
 13 section 551(1); and

14 “(2) includes an entity described in section  
 15 4501(1).

16 “(b) PROHIBITION.—An officer may not receive a  
 17 cash award under this subchapter if the officer—

18 “(1) serves in a position at level I of the Execu-  
 19 tive Schedule;

20 “(2) is the head of an agency; or

21 “(3) is a commissioner, board member, or other  
 22 voting member of an independent establishment.”.

23 (2) TECHNICAL AND CONFORMING AMEND-  
 24 MENT.—The table of sections for chapter 45 of title  
 25 5, United States Code, is amended by striking the

- 1 item relating to section 4509 and inserting the fol-
- 2 lowing:

“4509. Prohibition of cash award to certain officers.”.

