

Union Calendar No. 646

114TH CONGRESS
2^D SESSION

H. R. 2532

[Report No. 114–824]

To amend title 5, United States Code, to enhance the authority under which Federal agencies may pay cash awards to employees for making cost saving disclosures, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 21, 2015

Mr. FLEISCHMANN introduced the following bill; which was referred to the Committee on Oversight and Government Reform

NOVEMBER 14, 2016

Additional sponsor: Mr. COOPER

NOVEMBER 14, 2016

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on May 21, 2015]

A BILL

To amend title 5, United States Code, to enhance the authority under which Federal agencies may pay cash awards to employees for making cost saving disclosures, 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 “Bonuses for Cost-Cutters*
 5 *Act of 2016”.*

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

7 *(a) IN GENERAL.—*

8 *(1) DEFINITIONS.—Section 4511 of title 5,*
 9 *United States Code, is amended—*

10 *(A) in the section heading, by striking*
 11 *“**Definition**” and inserting “**Definitions**”;*
 12 *and*

13 *(B) in subsection (a)—*

14 *(i) by striking the period at the end*
 15 *and inserting “; and”; and*

16 *(ii) by striking “this subchapter, the*
 17 *term” and inserting the following: “this*
 18 *subchapter—*

19 *“(1) the term”;*

20 *(iii) by adding at the end the fol-*
 21 *lowing:*

22 *“(2) the term ‘surplus salaries and expenses*
 23 *funds’ means amounts made available for the salaries*
 24 *and expenses account, or equivalent account, of an*
 25 *agency—*

1 “(A) that are identified by an employee of
2 the agency under section 4512(a) as unnecessary;

3 “(B) that the Inspector General of the agen-
4 cy or other agency employee designated under
5 section 4512(b) determines are not required for
6 the purpose for which the amounts were made
7 available;

8 “(C) that the Chief Financial Officer of the
9 agency determines are not required for the pur-
10 pose for which the amounts were made available;
11 and

12 “(D) the rescission of which would not be
13 detrimental to the full execution of the purposes
14 for which the amounts were made available.”.

15 (2) *AUTHORITY*.—Section 4512 of title 5, United
16 States Code, is amended—

17 (A) in subsection (a)—

18 (i) in the matter preceding paragraph
19 (1), by inserting “or identification of sur-
20 plus salaries and expenses funds” after
21 “mismanagement”;

22 (ii) in paragraph (2), by inserting “or
23 identification” after “disclosure”; and

1 (iii) in the matter following paragraph
2 (2), by inserting “or identification” after
3 “disclosure”; and

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

5 “(c)(1) The Inspector General of an agency or other
6 agency employee designated under subsection (b) shall refer
7 to the Chief Financial Officer of the agency any potential
8 surplus salaries and expenses funds identified by an em-
9 ployee that the Inspector General or other agency employee
10 determines meets the requirements under subparagraphs
11 (B) and (D) of section 4511(a)(2), along with any rec-
12 ommendations of the Inspector General or other agency em-
13 ployee.

14 “(2)(A) If the Chief Financial Officer of the agency
15 determines that potential surplus salaries and expenses
16 funds referred under paragraph (1) meet the requirements
17 under section 4511(a)(2), except as provided in subsection
18 (d), the head of the agency shall transfer the amount of the
19 surplus funds or unnecessary budget authority from the ap-
20 plicable appropriations account to the general fund of the
21 Treasury.

22 “(B) Any amounts transferred under subparagraph
23 (A) shall be deposited in the Treasury and used for deficit
24 reduction, except that in the case of a fiscal year for which
25 there is no Federal budget deficit, such amounts shall be

1 *used to reduce the Federal debt (in such manner as the Sec-*
2 *retary of the Treasury considers appropriate).*

3 “(3) *The Inspector General or other agency employee*
4 *designated under subsection (b) for each agency and the*
5 *Chief Financial Officer for each agency shall issues stand-*
6 *ards and definitions for purposes of making determinations*
7 *relating to potential surplus salaries and expenses funds*
8 *identified by an employee under this subsection.*

9 “(d)(1) *The head of an agency may retain not more*
10 *than 10 percent of amounts to be transferred to the general*
11 *fund of the Treasury under subsection (c)(2).*

12 “(2) *Amounts retained by the head of an agency under*
13 *paragraph (1) may be—*

14 “(A) *used for the purpose of paying a cash*
15 *award under subsection (a) to 1 or more employees*
16 *who identified the surplus salaries and expenses*
17 *funds; and*

18 “(B) *to the extent amounts remain after paying*
19 *cash awards under subsection (a), transferred or re-*
20 *programmed for use by the agency, in accordance*
21 *with any limitation on such a transfer or reprogram-*
22 *ming under any other provision of law.*

23 “(e)(1) *Not later than October 1 of each fiscal year,*
24 *the head of each agency shall submit to the Secretary of*
25 *the Treasury a report identifying the total savings achieved*

1 *during the previous fiscal year through disclosures of pos-*
2 *sible fraud, waste, or mismanagement and identifications*
3 *of surplus salaries and expenses funds by an employee.*

4 “(2) *Not later than September 30 of each fiscal year,*
5 *the head of each agency shall submit to the Secretary of*
6 *the Treasury a report that, for the previous fiscal year—*

7 “(A) *describes each disclosure of possible fraud,*
8 *waste, or mismanagement or identification of poten-*
9 *tially surplus salaries and expenses funds by an em-*
10 *ployee of the agency determined by the agency to have*
11 *merit; and*

12 “(B) *provides the number and amount of cash*
13 *awards by the agency under subsection (a).*

14 “(3) *The head of each agency shall include the infor-*
15 *mation described in paragraphs (1) and (2) in each budget*
16 *request of the agency submitted to the Office of Management*
17 *and Budget as part of the preparation of the budget of the*
18 *President submitted to Congress under section 1105(a) of*
19 *title 31.*

20 “(4) *The Secretary of the Treasury shall submit to the*
21 *Committee on Appropriations of the Senate, the Committee*
22 *on Appropriations of the House of Representatives, and the*
23 *Government Accountability Office an annual report on Fed-*
24 *eral cost saving and awards based on the reports submitted*
25 *under paragraphs (1) and (2).*

1 “(f) *The Director of the Office of Personnel Manage-*
2 *ment shall—*

3 “(1) *ensure that the cash award program of each*
4 *agency complies with this section; and*

5 “(2) *submit to Congress an annual certification*
6 *indicating whether the cash award program of each*
7 *agency complies with this section.*

8 “(g) *Not later than 3 years after the date of enactment*
9 *of the Bonuses for Cost-Cutters Act of 2016, and every 3*
10 *years thereafter, the Comptroller General of the United*
11 *States shall submit to Congress a report on the operation*
12 *of the cost savings and awards program under this section,*
13 *including any recommendations for legislative changes.”.*

14 (3) *TECHNICAL AND CONFORMING AMEND-*
15 *MENT.—The table of sections for subchapter II of*
16 *chapter 45 of title 5, United States Code, is amended*
17 *by striking the item relating to section 4511 and in-*
18 *serting the following:*

“4511. Definitions and general provisions.”.

19 (b) *OFFICERS ELIGIBLE FOR CASH AWARDS.—*

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

22 **“§ 4509. Prohibition of cash award to certain officers**

23 “(a) *DEFINITIONS.—In this section, the term ‘agen-*
24 *cy’—*

1 “(1) has the meaning given that term under sec-
2 tion 551(1); but

3 “(2) includes an entity described in subpara-
4 graphs (A) through (G) of section 4501(1).

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

7 “(1) serves in a position at level I of the *Execu-*
8 *tive Schedule*;

9 “(2) is the head of an agency; or

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

12 (2) *TECHNICAL AND CONFORMING AMEND-*
13 *MENT*.—The table of sections for chapter 45 of title 5,
14 *United States Code*, is amended by striking the item
15 relating to section 4509 and inserting the following:

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

Union Calendar No. 646

114TH CONGRESS
2D Session

H. R. 2532

[Report No. 114-824]

A BILL

To amend title 5, United States Code, to enhance the authority under which Federal agencies may pay cash awards to employees for making cost saving disclosures, and for other purposes.

NOVEMBER 14, 2016

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed