

by my friend from Pennsylvania. In the case of Mr. Neely and in the case of Lois Lerner, under existing law, all that was required before they fired either of those individuals is to give them 30 days' notice, 30 days' written notice of the charges against them, give them the 30 days to put together a defense or to offer their version of the facts.

That's all that was required, and then we could have fired them or put them on administrative leave without pay. That was within the discretion of GSA.

So when GSA tells Mr. KELLY they can't do anything, there's plenty they could do. They could have taken both those employees, put them on administrative leave without pay—talk about protecting the taxpayer. I'm for that. They had the power to do that in these cases.

They could have taken both those employees, under current law, with due process in place, put them both on administrative leave without pay, and we could have protected the taxpayer. That was the discretion on the part of the administration and the folks that made the decision in that place. It was not a fault of the law.

But interestingly enough, it also protected us to have the second version of the facts put forward to bring more light to this.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CUMMINGS. Mr. Speaker, I'm going to yield the 45 seconds we have remaining to Mr. LYNCH to close.

Mr. LYNCH. Think about this. That due process right would allow an employee who might be the fall guy, it might be a person that they're trying to fire to shut them up, it gives them an opportunity to come before the public and say, while they're still in their job, to say, no, that's not the way it went down.

Now, it might be to the benefit of the Republican, it might be to the benefit of the Democrat, whatever position you have, whoever that individual might be. But it brings truth, it brings facts, and it brings the ability of that individual employee to protect themselves.

That's what we're asking for here, that 30 days' opportunity. And it can be without pay. We can protect the taxpayer and still give due process rights to our employees. This bill should be opposed for all those reasons.

I thank the gentleman from Maryland (Mr. CUMMINGS) for yielding.

Mr. CUMMINGS. Mr. Speaker, I yield back the balance of my time.

Mr. MEADOWS. Mr. Speaker, facts are a stubborn thing, and what we are hearing today are a number of assertions that truly are not the facts.

Let me read from the bill, because the opposing arguments would be that we can fire them for any particular reason, but that's not what the bill says. The bill says we may remove an employee for serious neglect of duty,

misappropriation of funds—which, I might add, was the case in point that we were just talking about—or malfeasance. And the head of the agency has to know that it was knowingly done.

This gives just another tool in the toolbox. It doesn't do away with due process. It doesn't do away with a number of the facts that we already have today, but it adds another tool.

What it really does is allow our managers to manage. What a novel concept. We're going to actually allow and trust Federal employees to manage the people under them.

We have been in hearing after hearing that says, Well, why didn't you do something about it? Why did you not address this? And they said, Well, our hands are tied. We didn't have the tools to do it.

This bill, as Mr. KELLY has so eloquently put it, gives them the tool to do exactly that. It doesn't do away with due process.

We've accepted amendments, three different amendments that protect the rights of employees—they are embedded in this bill—and yet we still find that my colleagues opposite want to say that they're not in support of this.

I just find it just appalling that we can continue to allow employees to stay on the taxpayers' dollars when we know that there has been malfeasance, misappropriation of funds, and the neglect of duty.

With that, I encourage all my colleagues to support this particular piece of legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. GINGREY of Georgia. Mr. Speaker, I rise today as a proud cosponsor of H.R. 2579, the Government Employee Accountability Act, offered by my good friend Mr. KELLY of Pennsylvania.

I applaud this commonsense legislation that was initially developed in response to a senior GSA employee orchestrating the infamous GSA conference in Las Vegas that cost taxpayers \$800,000. He was placed on administrative leave with pay. Under current law, this is not only permitted, but there is little other recourse. There is no current mechanism for agencies to take away the pay of Senior Executive Service (SES) employees under investigative review for misconduct. Rather, employees can be placed on administrative leave or suspension, both with the opportunity for pay.

Mr. Speaker, the necessity of the legislation before us today is again highlighted by the recent scandals plaguing the IRS and its targeting of conservative groups. Despite the continued emergence of compelling facts detailing Ms. Lerner's involvement with discriminatory targeting and her refusal to cooperate with Congressional investigations, Ms. Lerner continues to draw a \$180,000 salary from the federal government. When she refused to resign, she was placed on administrative leave, so rather than being punished for targeting Americans based on their political beliefs, she is taking a well-paid vacation on the taxpayer dime.

H.R. 2579 would authorize all federal agencies to place an employee on investigative

leave without pay if the employees conduct was serious or flagrant. I believe that this legislation is critical in regaining the trust of Americans. Paid leave is a slap on the wrist, and simply does not sufficiently restore the public's trust that the federal government will hold those responsible for serious misconduct accountable.

Mr. Speaker, Americans deserve real answers and solutions to ensure that high-ranking federal employees are reprimanded and held responsible for unacceptable behavior. For that reason, I urge my colleagues to join me in supporting H.R. 2579.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. MEADOWS) that the House suspend the rules and pass the bill, H.R. 2579, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. CUMMINGS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

COMMON SENSE IN COMPENSATION ACT

Mr. MEADOWS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1541) to establish limitations, during any sequestration period, on the total amount in awards or other discretionary monetary payments which may be paid to any Federal employee, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1541

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Common Sense in Compensation Act".

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) the term "employee" means an employee (as defined by section 2105(a) of title 5, United States Code) holding a position in or under an Executive agency;

(2) the term "Executive agency" has the meaning given such term by section 105 of title 5, United States Code;

(3) the term "discretionary monetary payment" means—

(A) any award or other monetary payment under chapter 45, or section 5753 or 5754, of title 5, United States Code; and

(B) any step-increase under section 5336 of title 5, United States Code;

(4) the term "covered compensation", as used with respect to an employee in connection with any period, means the sum of—

(A) the basic pay, and

(B) any discretionary monetary payments (excluding basic pay), payable to such employee during such period;

(5) the term "basic pay" means basic pay for service as an employee; and

(6) the term "sequestration period" means a period beginning on the first day of a fiscal year in which a sequestration order with respect to discretionary spending or direct

spending is issued under section 251A or section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 and ending on the last day of the fiscal year to which the sequestration order applies.

SEC. 3. LIMITATIONS.

(a) IN GENERAL.—Notwithstanding any other provision of law—

(1) no discretionary monetary payment may be made to an employee during any sequestration period to the extent that such payment would cause in a fiscal year the total covered compensation of such employee for such fiscal year to exceed 105 percent of the total amount of basic pay payable to such individual (before the application of any step-increase in such fiscal year under section 5336 of title 5, United States Code) for such fiscal year; and

(2) except as provided in subsection (b), during any sequestration period, an agency may not pay a performance award under section 5384 of title 5, United States Code, to the extent that such payment would cause the number of employees in the agency receiving such award during such period to exceed 33 percent of the total number of employees in the agency eligible to receive such award during such period.

(b) WAIVERS.—For the purposes of any sequestration period—

(1) the head of any agency may, subject to approval by the Director of the Office of Personnel Management, waive the requirements of subsection (a)(2); and

(2) the head of any agency may waive the requirements of subsection (a)(1) with respect to any employee if the requirements of such subsection would violate the terms of a collective bargaining agreement covering such employee, except that this paragraph shall not apply to any employee covered by a collective bargaining agreement that is renewed on or after the date of enactment of this Act.

(c) NOTIFICATION.—In the case of an agency for which the Director of the Office of Personnel Management grants a waiver under subsection (b)(1), the agency shall notify the Committee on Oversight and Government Reform of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate of the percentage of career appointees receiving performance awards under section 5384 of title 5, United States Code, and the dollar amount of each performance award.

(d) APPLICATION.—This section shall apply to any discretionary monetary payment or performance award under section 5384 of title 5, United States Code, made on or after the date of enactment of this Act.

SEC. 4. REGULATIONS.

The Office of Personnel Management may prescribe regulations to carry out this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. MEADOWS) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina.

GENERAL LEAVE

Mr. MEADOWS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous materials on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MEADOWS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my bill, H.R. 1541, brings common sense to the policies governing Federal employee bonuses while still providing agencies flexibility to recognize outstanding performance.

In fiscal year 2011, 75 percent of Senior Executive Service employees throughout the Federal Government received bonuses at an average of nearly \$11,000 per person. The government's decision to furlough hundreds of regular, often blue-collar, Federal workers while senior employees cash in is unacceptable.

Americans are rapidly losing trust in government as the list of abuses by Federal agencies grows, but bureaucrats continue collecting large bonuses at the expense of hardworking taxpayers.

The IRS is a prime example. Between the years of 2006 to 2012, IRS Director of Exempt Organizations, Lois Lerner, was paid a combined total of \$110,035 in bonuses.

Faris Fink, the senior IRS official best known for his starring role as Mr. Spock in a "Star Trek" parody at the IRS conference received some \$149,506 in bonuses between 2007 and 2012.

The Federal Aviation Administration is another example. It threatened 90-minute delays for airline passengers in the weeks leading up to sequestration. However, the FAA handed out more than \$12 million in bonuses during fiscal year 2012 despite knowing that sequestration was likely to occur.

These bonuses exemplify Washington's spending problem. A national debt of \$17 trillion and an unemployment rate at 7.5 percent should not add up to millions of dollars in bonus payouts.

Following the President's decision to impose a 2-year pay freeze at the end of 2010, the administration issued a memo limiting the amount available to pay bonuses for fiscal years 2011 and 2012. This past February, the administration issued a memo limiting bonuses to those legally required, and in June, you, the administration, suspended rank awards for senior leaders.

This bill builds on the administration's initiatives, limiting the amount and number of bonuses paid to Federal workers in periods of sequestration. It is time for the government to stop furloughing workers who depend on paychecks from week to week while awarding hundreds of thousands of dollars in bonuses to senior employees.

I urge all Members to support the Common Sense in Compensation Act.

Mr. Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am very disappointed that the Republican leadership is wasting the few days we have remaining before the August recess with political message bills like this one instead of dealing with the major challenges the American people want us to address.

The American people care about jobs. Let me say that again. The American

people care about jobs. And the Democrats have introduced a Make It in America agenda that would create good-paying jobs by rebuilding America's infrastructure, investing in innovation and education, and reducing the deficit through a balanced approach.

But the Republican leadership apparently has chosen a No Jobs Agenda. It has been 7 months since the start of this Congress, and we have not passed a single jobs bill on the floor of this House. Instead, the Republican sequestration plan is expected to cost up to 1.6 million American jobs through next year.

The American people also want the Congress to pass a budget for our country. More than 4 months ago, both the Senate and the House passed their respective budgets, but the House Republicans are now refusing to appoint conferees to complete negotiations. For years, Republicans complained about not having a budget, yet now they are actively blocking it by refusing to negotiate with the Senate.

Rather than dealing with these critical issues, we're being asked to vote on H.R. 1541, which is one of many bills that are a part of a relentless campaign to demonize Federal employees.

H.R. 1541 would impose an arbitrary, across-the-board cap of 5 percent of basic pay on the amount of bonuses that Federal workers can receive and limit the number of senior executives who may receive performance awards to 33 percent of those eligible in each agency.

These employees carry out our critical missions that serve and protect the American people. Among these awards are Presidential Rank Awards for senior executives who saved the Federal Government more than \$95 million last year, quality step increases for our highest Federal employee performers, awards to law enforcement officers for foreign language capabilities, and recruitment, retention, and relocation incentives to fill critical gaps in such fields as nursing, information technology, and cybersecurity.

I'm very concerned about the Federal Government's recruitment and retention efforts if Congress eliminates agency discretion to provide awards to our best performers.

In an analysis of the Best Places to Work in the Federal Government, the Partnership for Public Service and Deloitte found that only 4 out of 10 Federal workers believed they will be rewarded or promoted for doing a good job. This is the definition of counterproductive.

I don't understand how Republicans can call for pay for performance and then eliminate the very performance awards they said they supported.

Last Congress, our committee chairman, Representative ISSA, and committee member DENNIS ROSS sent a letter to the Government Accountability Office proposing that we replace the

Federal Government's General Schedule system with a 'merit-based, market-sensitive system that recognizes and rewards individual employee performance.'

How can we take such proposals seriously if we are being asked at the same time to slash the very awards that are supposed to incentivize performance? Of course, we cannot.

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For these reasons, I urge my colleagues to join me in opposing H.R. 2579, and I reserve the balance of my time.

I ask unanimous consent for the gentleman from Massachusetts (Mr. LYNCH) to manage the balance of my time.

The SPEAKER pro tempore. Without objection, the gentleman from Massachusetts will control the remaining time.

There was no objection.

Mr. MEADOWS. I yield 3 minutes to my distinguished colleague from the State of Michigan (Mr. BENTIVOLIO).

Mr. BENTIVOLIO. I thank the gentleman from North Carolina for yielding.

Mr. Speaker, common sense is something often discussed here but it is rarely put into practice. It's time for that to change. That's why we need the Common Sense in Compensation Act.

While the administration plays political games with the sequestration by forcing hardworking Americans to take a furlough, they continue to hand out bonus checks to highly paid bureaucrats. Between 2008 and 2011, the Federal Government spent \$340 million on cash bonuses for Senior Executive Service employees. Some of these bureaucrats have used their time to attack the average American through regulations and the Tax Code. The American people are not getting what they paid for from many of these Federal regulators and senior staff.

The Common Sense in Compensation Act brings much-needed reform to the bonus system for Federal employees. Under this legislation, employee discretionary bonuses are limited to no more than 5 percent of their base salary while the sequestration is in effect. Additionally, it limits the total amount of Senior Executive Service performance awards to 33 percent of all SES employees in a given agency. Both of these changes prevent the most wealthy in the Federal system from becoming richer while those actually engaging and serving the general public are getting laid off.

Opponents of the bill may claim that limiting Federal Government employee bonuses may be an unsound business move. Here's what I think: it is an unsound business move being \$17 trillion in debt and shackling our grandchildren with a Nation worse off than how we received it from our parents. When a business is struggling, they don't pass out bonuses. They cut waste. It's time to rein in spending. And this

practice of excessive bonuses for the very top of our bureaucracy must stop while we're all trying to tighten our belts.

If we truly want to rein in our spending, we need to fix not just the amount of money we choose to spend, but how effectively we spend it as well. Making sure that those who provide the actual services to the public aren't being furloughed at the expense of luxurious bonuses for upper management is a good way to start.

Mr. LYNCH. Mr. Speaker, I yield myself such time as I may consume.

The tailored use of incentive awards, such as performance-based bonuses, help agencies recruit, develop, and retain employees who have the knowledge, skill, and ability to help agencies accomplish their critical missions. Such incentives also allow agencies to compete with the private sector for talent. Right now, we have incredible doctors, nurses, therapists, and staff at the VA hospitals all across America, that I'm sure—at least in my district—they could walk out that door and earn sometimes twice or three times as much at a private hospital as they do at the VA. The incentive programs that we have in place allow us to rebalance a little bit of what they might be compensated, but for the fact that they are committed to caring for our veterans.

It's a similar situation with the SEC. Obviously, many of our securities analysts that we use at the SEC could go to Wall Street tomorrow and earn multiples of what their salary is and have great success and incredible rewards financially. But they work at the SEC because they're committed to protecting the taxpayer and working on behalf of their country.

We have similar examples of banking supervisors at the FDIC that have such knowledge and such capability that they could go out tomorrow and work for one of these big banks like Citibank or Bank of America and go to work tomorrow at multiples of their salary. We have derivative analysts over at the CFTC that do such great work on our behalf, that I'm sure that—because that's such a hot area of employment—with their expertise and their resumes, they could demand tremendous resources. As well, we have scientists at NIH and lawyers over at the Department of Justice that we're lucky to have working on behalf of the government because we're trying to keep up with the changes in industry and in these areas of commerce that require excellent talent.

For example, a 2010 Rand Corporation study found that the Department of Defense's increased use of bonuses had positive effects on recruitment and retention in the Armed Forces. Notably, the study found that without the increase in bonuses, Army enlistments would have been 20 percent lower between 2004 and 2008 when the war in Iraq was at its peak. Further, the study found that bonuses were generally a cost-effective measure.

Despite the importance of performance awards, this bill, H.R. 1541, as amended, would prohibit Federal workers from receiving discretionary bonuses that exceed 5 percent of their base pay during sequestration. This bill couldn't happen at a worse time. H.R. 1541 would undermine the Federal Government's ability to recruit and retain its most talented employees in the midst of a 3-year Federal pay freeze and ongoing furloughs.

Right now, we have over 700,000 Federal employees at DOD that have taken 11-day furloughs. I sat with a group of firefighters on an Air Force base that are concerned about the safety protocols at that base because of the number of employees that are affected by furloughs. We've got 90,000 employees in other agencies that are taking between 2- and 5-day furloughs. And those furloughs are going to continue.

H.R. 1541 would undermine the Federal Government's ability to recruit and retain our most talented employees in the midst of all these cutbacks. This bill would simply continue to demoralize the Federal workforce. By removing agency flexibility, the legislation would also impede managers in their efforts to keep employees committed and motivated to excel and to provide superior service.

It is understandable that these employees do accept less pay because they work for the government, in many of these industries that I mentioned. Further, these awards are exactly the type of individual merit-based performance management tools that the committee chairman and other committee members have embraced in the past.

During committee consideration, I offered an amendment that would exempt collective bargaining agreements from the caps on awards. But the majority modified my amendment so the caps would still apply to future agreements. I believe that determining by law or statute the terms of future bargaining agreements with the recognized representatives of those employees improperly interferes with the management and labor contract negotiations.

This legislation would restrict agency flexibility at a time when it is critically needed for ensuring that the Federal workforce attracts and retains the best and brightest.

For these reasons, I ask my colleagues to join me in opposing H.R. 1541, and I reserve the balance of my time.

Mr. MEADOWS. I yield 3 minutes to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN of Tennessee. Mr. Speaker, I rise in strong support of H.R. 1541, the Common Sense in Compensation Act.

I thank the gentleman from North Carolina for yielding me this time. I also want to commend him for coming up with this very sensible, reasonable, moderate response in legislation to a problem that's been growing bigger and bigger with each passing year.

As the previous speaker, the gentleman from Michigan, mentioned, in one recent 3-year period there were over \$340 million worth of Federal bonuses given out. I didn't know about that figure but I have seen some other figures which relate to this legislation that I would like to mention at this time.

A couple of years ago, the Commerce Department's Bureau of Economic Analysis completed a study showing that the average Federal employee received a salary and benefits totaling \$119,982, while the average private sector employee made a salary and benefits of \$59,909. In other words, the Federal salaries and benefits were approximately twice or double what people in the private sector were receiving.

The Washington Examiner newspaper, in a lead editorial after that report came out, described these Federal salaries as "scandalously higher" than private salaries, and added:

With the Federal deficit and national debt heading into the stratosphere, taxpayers can no longer afford to support such lucrative government compensation.

Certainly, it's already been mentioned that our national debt is now approximately \$17 trillion—a figure that almost no human being can really comprehend.

At the height of the recession there was a front-page story in USA Today, which said:

Federal workers are enjoying an extraordinary boom time—in pay and hiring—during a recession that has cost \$7.3 million jobs in the private sector.

The report in USA Today said that the "highest-paid Federal employees are doing best of all."

I read a report a few months ago that said 6 of the 10 wealthiest counties in this country were all suburban counties to Washington, D.C.

In addition to much higher Federal salaries and benefits, Federal employees have the best pension plans in this country, while fewer than 20 percent of employees in the private sector even have any employer-provided pension plan other than Social Security. These very high pensions were started many years ago when Federal salaries often were lower than in the private sector. But that is certainly not the case today, when Federal salaries are averaging about twice what the average salary is in the private sector. Also, Federal employees are allowed to retire at younger ages.

Almost everyone, I realize, Mr. Speaker, feels underpaid when you hear about these obscene, ridiculous salaries of CEOs and athletes and movie stars. But Federal employees need to realize that you're talking about just one-tenth of 1 percent of the people. Compared to about 96 to 97 percent of the American people, Federal employees are very fortunate to have their jobs, and are very well paid.

I know from my experience with the Tennessee Valley Authority, where they've given out many bonuses in the

hundreds of thousands of dollars range, this situation will spiral completely out of control because Big Government can justify or rationalize almost anything.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MEADOWS. I yield the gentleman an additional 1 minute.

Mr. DUNCAN of Tennessee. I will simply say that this is a good bill. This is good legislation to limit these bonuses to about 5 percent of these very high salaries. I hope all of my colleagues will support H.R. 1541, the Common Sense in Compensation Act.

Mr. LYNCH. Could I ask the Speaker how much time we have remaining?

The SPEAKER pro tempore. The gentleman from Massachusetts has 10 minutes remaining.

Mr. LYNCH. I yield myself such time as I may consume.

Mr. Speaker, I just wanted to address a couple of issues the gentleman has raised and say that I have enormous respect for the previous speaker as well.

Oftentimes, these studies look at the average employee in the Federal Government versus the average employee in the private sector. In recent decades, the Federal Government has privatized a lot of our common labor rather than employing them directly. We have become a much more specialized and much more professionalized workforce, between the doctors and nurses we hire at the VA; the scientists that we have at the National Institutes of Health and the EPA; the lawyers we have at the Department of Justice; financial analysts that we have at the CFTC and FDIC, as well as the SEC and other banking industries. Those are more professionalized employees.

□ 1500

So naturally, if you look at a retail clerk, compare their salary to a scientist, there will be a drastic disparity between what an attorney is making or a financial analyst is making versus a secretary in the private sector. So that's a very crude way of comparison.

One way of comparison is required in the Federal Pay Comparability Act. That's a statute that we passed here in Congress. It requires that we compare the levels of Federal doctors versus private sector doctors; federally employed scientists versus private sector scientists; finance analysts at the SEC versus those at Goldman Sachs. So we compared job to job. At the end of that analysis, the studies showed that Federal employees are making 26 percent less than their comparable job in the private sector; just a point that I wanted to raise.

I reserve the balance of my time.

Mr. MEADOWS. Mr. Speaker, I wanted to address a few of the items that have been brought up because we seem to talk about these in abstract ways, but the truth of the matter is is that bonuses have gotten way out of hand. You know, when we start to give out bonuses as a way to bypass the pay-

ment structure that we have established for the Federal Government employees, that is not what it was intended to do.

You know, the ranking member earlier, Mr. Speaker, mentioned a survey, which was the Federal Employee Viewpoint Survey. He used that data as evidence of, really, about performance pay, but I'd like to quote from that same study, that same survey.

A recent survey found that only 22 percent of Federal employees believe that performance and pay are linked. And I would like to point out that this bill certainly would cover that.

We are not saying do away with all bonuses; quite the contrary. We believe that people need to be incentivized. We believe in merit pay. We believe in bonuses for those that work. But I can say this, that when you start paying out bonuses to 75 percent of all senior executive employees, the people back home don't understand. Maybe the people in Massachusetts understand, but I can tell you the people in North Carolina don't understand.

We've got some 7,000 Senior Executive Service employees that make an average of \$168,500 every year. So when you go back home and you say, Well, they're making \$168,000 a year, and on top of that we're going to pay them a \$30,000 bonus, those people don't understand. Whether they work for the Federal Government or whether they are in the private sector, they don't understand.

I've got single moms, Mr. Speaker, that said, You know what? I'd be glad to go to work just for the bonus pay that you're paying some of those Federal workers.

We go on a lot and we start talking about it, but it's interesting, because many times my colleagues on the opposite side of the aisle want to go ahead and talk about what is fair. Well, this is not fair, Mr. Speaker, when we start to look at that. The rich, indeed, are getting richer at the expense of the hardworking American taxpayers, and that is not what we should be doing.

I also want to go on a little bit further, because when we start to look at these bonuses, it is the Federal employees in my district that have a problem with it as well. I have two of them, Paula and Martha. I won't give their last names, but Paula and Martha. I was there talking to them, and they said, You know, we are sacrificing under this pay freeze. We're having to give up. Why in the world are you awarding such bonuses to these people when we're having to suffer?

Now, I know the gentleman from Massachusetts has a real heart for Federal employees, as do I. I look here and there are a number of people that I would call my friends. There are a number of people that are watching this perhaps even on TV right now that are Federal employees that I enjoy being with. This is not about them. This is about being fair. What it is is, when we start to pick the winners and

losers with bonuses and bypass the payment structure that we have, you know, it's not right, Mr. Speaker, and we have to adjust that.

I would be glad to work in a bipartisan way. If we're having a hard time retaining scientists and doctors, I would be glad to work in a bipartisan way with my friend opposite here to come up with a structure that works on pay and merit pay to that and address it, but why do we allow the bonuses that we have today to bypass the very fundamental reason that we have it set up?

With that, I reserve the balance of my time.

Mr. LYNCH. I appreciate the gentleman's comments.

Mr. Speaker, I do want to point out, though, if we're talking about what's fair and what's not fair, I think the Federal employees have taken it on the chin recently. They're in year three of their pay freeze. A lot of them say that's not fair because as costs keep going up, their pay has been frozen for the past 3 years. Now, on top of the third-year pay freeze, they're being asked—at least 700,000 employees in the Department of Defense, including civilian employees that we rely on for a lot of key services—are being asked to take 11 days on furlough without pay. About 100,000 other Federal employees are being asked to take between 2 and 5 days right now. The first year of sequestration I think we cut \$37 billion. This year we will cut \$52 billion, next year is 60. And this is just year 2 in a 10-year furlough schedule. So if you want to talk about unfair, I think that they're being asked to do more than their share.

I do want to remind the gentleman that the bonuses and awards limited by this bill, H.R. 1541, are based on performance. The quality step increases are given to rank-and-file employees who achieve superior performance. The Presidential Rank Awards are given to senior employees who achieve extraordinary results or who are able to sustain superior accomplishments.

Recruitment bonuses, now, they can't be paid to employees who work for the Federal Government, but someone who's done a very good job in the private sector, you know, running a hospital might come onto the Federal payroll to do that, and we might have to recognize that person's prior service. An individual's performance rating is based on how well they met or exceeded their expectations.

In addition, I know that my friends across the aisle are eager to cap Federal employee and senior executive pay, but they're completely silent on capping Federal contractor pay. Under current law, Federal contractor executives can be reimbursed by the Federal Government for their salaries up to \$950,000—Federal contractors. This is the private side. These are not the folks that are being capped. These are not employees. These are private contractors, \$950,000 for 2013. Not a word,

not a word in print or speech to cap those individuals. Contracting employees at the Department of Defense, Coast Guard, and NASA can also have their salaries reimbursed up to \$950,000 as well in this current year, 2013.

But just a comparison, the maximum salary for a senior executive in the Federal Government is \$179,700. For example, the VA Administration head, the hospital director at one of my hospitals, he makes \$179,700, while the average salary in my district for a hospital director in the private sector is \$800,000. That's for the private hospitals in my area. So my VA director earns about 25 percent of what they make in the private sector.

By the way, the maximum salary for a General Schedule step 10 employee at the top of the ladder is \$155,500. That's what we're talking about here. And they are blown away by the salaries paid—as I mentioned, \$950,000 in 2013—for Federal contract executives who are not Federal employees but are on the Federal payroll, about which this bill says zero. Completely silent. Zip.

I reserve the balance of my time.

Mr. MEADOWS. Mr. Speaker, I would like to address a few of the comments that the gentleman opposite made.

When he said not a word has been mentioned about bonuses for contractors, I would remind the gentleman that in the NDAA we addressed this very subject. So that was addressed, which I'm sure the gentleman was here for that particular vote; but as we've looked at this, we have addressed that particular thing. I will go ahead and talk about a couple of other things, though.

We talk about this pay freeze and how we're asking so many people to suffer. I'm not talking about the normal pay that we would give employees. I'm talking about the excessive bonuses that have failed to be an incentive anymore.

When you give a bonus to 75 percent of the employees, it ceases to be an incentive; in fact, quite the opposite. All you have to do is make sure that you are not in the bottom quartile. It says all I have to do is perform better than only a few people to get my bonus. So if I'm just better than the worst 25 percent, I get a bonus. That's not an incentive. That's why we're looking at 33 percent. It rewards those people who rise to the top, the cream of the crop, and we need to do that.

I also want to mention that we were talking about all these pay freezes. Where is a pay freeze not a pay freeze? Only in Washington, D.C. Mr. Speaker, 99.4 percent of Federal employees got an increase in salary during this pay freeze. That's the only ones we denied were 6 out of every 1,000 employees. So the gentleman opposite making comments that they've sacrificed, indeed, they have, but it's not as if they have not gotten pay increases.

What do I tell my constituents back home who are dealing with double-digit unemployment? They would love just

to have a job. Many of them would take a job at 10 to 15 to 20 percent less than what they were making if they could just go to work. Yet here we are talking about people who continue to get raises as if they are suffering. You know, we've got to make sure that we're clear on the subject and we need to make sure that we're fair.

I keep coming back to the word "fair," because when we are not fair with the government responsibility that we have, the American people lose trust in their government; and it is time that we hold it accountable, give tools to those managers that reward good behavior and good performance, but yet not continue to dole it out at the expense of every American taxpayer.

With that, I reserve the balance of my time.

Mr. LYNCH. Just one final point before I yield. The gentleman is correct, we did address contractor caps on pay in the NDAA, but we capped it at \$950,000 a year. That's a far cry from anything that any Federal employee is earning here.

As I mentioned before, the head of our VA hospitals makes \$179,700. That's the max. Meanwhile, private contractors working for the Federal Government are making \$950,000 this year, in 2013, with the NDAA caps in place. I'm just saying, what's good for the goose is good for the gander. There's an opportunity in this bill to cap these salaries, and we have not done that.

With that, I yield back the balance of my time.

Mr. MEADOWS. Mr. Speaker, I thank the gentleman for his candor and his passion with which he rises and debates it.

I do want to point out, though, that what we are talking about here are apples and oranges. When you start to look at contractors and the benefits of those contracts, those are really issues that we must address, and I'm willing to work with him on a bipartisan basis, but let's not take our eye off the ball.

Why would we allow Sarah Hall Ingram, who is going to be administering over the Affordable Care Act, a bonus of \$35,000? Why would we award a bonus of almost \$31,000 to a gentleman that played Mr. Spock? It's indefensible to me. I can't imagine why my colleague opposite would want to defend that and why he wouldn't want to have tools to let managers manage the process.

□ 1515

I'm going to close with this point: Daniel Pink writes in a book called "Drive" that really it's about motivational theory; it's about the fact that bonus impact is minimal. I think we see that even here because of the surprising truth about what motivates us. It says:

The carrot and the stick approach to motivating employees through bonuses and benefits is statistically ineffective. What they would rather have is a mastery of their position, they would rather have autonomy, they

would rather have a sense of purpose that the job that they are doing is very meaningful.

So, in essence, what it says is that if we get rid of the bureaucracy, our Federal employees will be more motivated to do a good job knowing that they are fulfilling a purpose. Yet we continue to throw bonuses at them over and over again, Mr. Speaker.

I just have a hard time going back home, as a number of my colleagues would go back home, and defending these excessive bonuses.

I would urge all of the folks here, all of my colleagues, to join with me in supporting this critical bill, the Common Sense in Compensation Act, H.R. 1541, as amended.

I yield back the balance of my time, Mr. Speaker.

Mr. MORAN. Mr. Speaker, for the last four years, Congress has frozen federal employee pay.

And this year, we are at it again, extending the freeze.

Congress has also increased federal employee pension contributions for new hires without a corresponding increase in benefit.

And, through furloughs, we are essentially imposing a 20% pay-cut and continuing to punish these people who took an oath to support and defend our country.

All of this has added up—Over the last four years, Congress has reduced federal employee pay and benefits by \$118 billion. Per capita, that's nearly \$50,000 per employee—far more than any other American has been asked to contribute towards deficit reduction.

I take issue with the practice of continuing to punish a workforce that is predominantly composed of hardworking Americans, simply because they happen to work for all of us.

Your public servants have already been injured financially by a series of spirited provisions that are now law.

The bills before us today would strip the ability of managers within the federal government to reward our federal workers. In fact, they end up punishing some of our highest performing federal employees.

The Congressional Budget Office has confirmed that federal employees in highly skilled professions could earn much more in the private sector.

The Federal Salary Council issued a report in 2012 finding that federal employees were being paid nearly 35% less than similar occupations in the private sector.

Why do they choose public service? Clearly, not for monetary gain—they do it for love of country and the opportunity to make peoples' lives better.

But they have families to feed, mortgages to pay, and children to send to college. Where does it end?

From my first job as a budget officer at HEW through to my service today, nearly 40 years later, I have witnessed countless occasions where the federal government and federal employees have been a positive force, improving the lives of their fellow Americans.

No matter how many times the House majority says the government cannot solve problems, cannot create jobs or cannot help the American people, it will never be so.

Why does this Congress insist on continuing to punish federal employees for their service to the American people?

Bearing a disproportionate share of deficit reduction has directly hurt them and their families. It's time to stop singling them out.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. MEADOWS) that the House suspend the rules and pass the bill, H.R. 1541, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. LYNCH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

GOVERNMENT CUSTOMER SERVICE IMPROVEMENT ACT OF 2013

Mr. MEADOWS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1660) to require the establishment of Federal customer service standards and to improve the service provided by Federal agencies, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1660

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Customer Service Improvement Act of 2013".

SEC. 2. DEFINITIONS.

In this Act:

(1) AGENCY.—The term "agency"—

(A) means an Executive agency (as defined under section 105 of title 5, United States Code) that provides significant services directly to the public or other entity; and

(B) does not include an Executive agency if the President determines that this Act should not apply to the Executive agency for national security reasons.

(2) CUSTOMER.—The term "customer", with respect to an agency, means any individual or entity that is directly served by an agency.

SEC. 3. DEVELOPMENT OF CUSTOMER SERVICE STANDARDS.

(a) GOVERNMENT-WIDE STANDARDS.—

(1) IN GENERAL.—The Director of the Office of Management and Budget shall develop Government-wide standards for customer service delivery, which shall be included in the Federal Government Performance Plan required under section 1115 of title 31, United States Code.

(2) REQUIREMENTS.—The standards developed under paragraph (1) shall include—

(A) Government-wide goals for continuous service improvements and efforts to modernize service delivery; and

(B) where appropriate, Government-wide target response times for telephone calls, electronic mail, mail, benefit processing, and payments.

(b) AGENCY STANDARDS.—

(1) IN GENERAL.—The Performance Improvement Officer for each agency shall establish customer service standards in accordance with the Government-wide standards developed under subsection (a), which shall be included in the Agency Performance Plans required under section 1115 of title 31, United States Code.

(2) REQUIREMENTS.—Agency standards established under paragraph (1) shall include, if appropriate—

(A) target call wait times during peak and non-peak hours;

(B) target response times for correspondence, both by mail and electronic mail;

(C) procedures for ensuring all applicable metrics are incorporated into service agreements with nongovernmental individuals and entities;

(D) target response times for processing benefits and making payments; and

(E) recommendations for effective publication of customer service contact information, including a mailing address, telephone number, and email address.

(c) CUSTOMER SERVICE INPUT.—

(1) ESTABLISHMENT.—The Director of the Office of Management and Budget shall establish a Customer Service Feedback Pilot Program. The pilot program shall include participation by the Internal Revenue Service and a minimum of two additional agencies selected by the Director and shall continue for a period of at least three years. The Director shall require participating agencies to implement a customer service feedback system to collect information from customers of the agency regarding the quality of customer service provided by the agency, including—

(A) information on the extent to which agency performance complies with the Government-wide standards developed under subsection (a); and

(B) feedback on the quality of customer service provided by the agency employee or employees with whom the customer interacted.

(2) LIMITATION.—An agency may not publish or make publicly available information collected under the feedback system that is specific to a named employee.

(3) ADDITIONAL INFORMATION IN PERFORMANCE REPORT.—In developing the performance report made available by the agency under section 1116 of title 31, United States Code, each agency—

(A) shall include the information collected under this subsection; and

(B) may include aggregate data collected under paragraph (1)(B) without including names of specific agency employees.

(4) REPORT TO CONGRESS ON CUSTOMER SERVICE FEEDBACK PILOT PROGRAM.—Not later than two years after the implementation of the Customer Service Feedback Pilot Program established under this subsection, the Comptroller General shall submit to Congress a report assessing the pilot program and a recommendation on whether such program should be expanded Government-wide.

(d) ANNUAL PERFORMANCE UPDATE.—The Director of the Office of Management and Budget shall include achievements by agencies in meeting the customer service performance standards developed under subsection (a) in each update on agency performance required under section 1116 of title 31, United States Code.

SEC. 4. PERFORMANCE APPRAISAL.

Compliance with customer service standards developed under this Act shall be included in employee appraisal systems established by agencies, including the performance appraisal systems referred to in chapter 43 of title 5, United States Code.

SEC. 5. SERVICE IMPROVEMENT UNIT PILOT PROGRAM.

(a) ESTABLISHED.—The Director of the Office of Management and Budget shall establish a pilot program, to be known as the Service Improvement Unit Pilot Program (in this section referred to as the "pilot program"), to provide assistance to agencies that do not meet the Government-wide standards developed under section 3.