

# Calendar No. 720

114TH CONGRESS  
2D SESSION

# S. 1378

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

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## IN THE SENATE OF THE UNITED STATES

MAY 19, 2015

Mr. PAUL (for himself, Mr. WARNER, Mr. ENZI, Mr. GARDNER, Mr. TOOMEY, Mr. BENNET, Mr. DAINES, Mr. PORTMAN, Mr. CORNYN, Ms. AYOTTE, Mrs. ERNST, Mr. LANKFORD, Mrs. McCASKILL, Mr. JOHNSON, Mr. LEE, and Mr. PERDUE) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

DECEMBER 9, 2016

Reported by Mr. JOHNSON, with an amendment

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

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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 “Bonuses for Cost-Cut-  
5 ters Act of 2015”.

1 **SEC. 2. COST SAVINGS ENHANCEMENTS.**

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

4 (1) in subsection (a)—

5 (A) in the matter preceding paragraph (1),  
6 by inserting “or identification of surplus funds  
7 or unnecessary budget authority” after “mis-  
8 management”;

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

11 (C) in the matter following paragraph (2),  
12 by inserting “or identification” after “disclo-  
13 sure”; and

14 (2) by adding at the end the following:

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

21 “(d)(1) If the Chief Financial Officer of an agency  
22 determines that rescission of potential surplus funds or  
23 unnecessary budget authority identified by an employee  
24 would not hinder the effectiveness of the agency, except  
25 as provided in subsection (e), the head of the agency shall  
26 transfer the amount of the surplus funds or unnecessary

1 budget authority from the applicable appropriations ac-  
2 count to the general fund of the Treasury.

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

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

12       ~~“(e)(1) The head of an agency may retain not more~~  
13 ~~than 10 percent of amounts to be transferred to the gen-~~  
14 ~~eral fund of the Treasury under subsection (d).~~

15       ~~“(2) Amounts retained by the head of an agency~~  
16 ~~under paragraph (1) may be—~~

17           ~~“(A) used for the purpose of paying a cash~~  
18 ~~award under subsection (a) to 1 or more employees~~  
19 ~~who identified the surplus funds or unnecessary~~  
20 ~~budget authority; and~~

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

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

4           “(A) each disclosure of possible fraud, waste, or  
5 mismanagement or identification of potentially sur-  
6 plus funds or unnecessary budget authority by an  
7 employee of the agency determined by the agency to  
8 have merit;

9           “(B) the total savings achieved through disclo-  
10 sures and identifications described in subparagraph  
11 (A); and

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

14       “(2)(A) The head of each agency shall include the  
15 information described in paragraph (1) in each budget re-  
16 quest of the agency submitted to the Office of Manage-  
17 ment and Budget as part of the preparation of the budget  
18 of the President submitted to Congress under section  
19 1105(a) of title 31, United States Code.

20       “(B) The Director of the Office of Personnel Manage-  
21 ment shall submit to the Committee on Appropriations of  
22 the Senate, the Committee on Appropriations of the House  
23 of Representatives, and the Government Accountability  
24 Office an annual report on Federal cost saving and awards  
25 based on the reports submitted under subparagraph (A).

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

3           “(1) ensure that the cash award program of  
4 each 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       “(h) Not later than 3 years after the date of enact-  
9 ment of the Bonuses for Cost-Cutters Act of 2015, and  
10 every 3 years thereafter, the Comptroller General of the  
11 United States shall submit to Congress a report on the  
12 operation of the cost savings and awards program under  
13 this section, including any recommendations for legislative  
14 changes.”.

15       (b) OFFICERS ELIGIBLE FOR CASH AWARDS.—

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

18 **“§ 4509. Prohibition of cash award to certain officers**

19       “(a) DEFINITIONS.—In this section, the term ‘agen-  
20 ey’—

21           “(1) has the meaning given that term under  
22 section 551(1); and

23           “(2) includes an entity described in section  
24 4501(1).

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

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

5           “(2) is the head of an agency; or

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

8       (2) **TECHNICAL AND CONFORMING AMEND-**  
9 **MENT.**—The table of sections for chapter 45 of title  
10 5, United States Code, is amended by striking the  
11 item relating to section 4509 and inserting the fol-  
12 lowing:

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

13 **SECTION 1. SHORT TITLE.**

14       *This Act may be cited as the “Bonuses for Cost-Cutters*  
15 *Act of 2016”.*

16 **SEC. 2. COST SAVINGS ENHANCEMENTS.**

17       (a) *IN GENERAL.*—

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

20           (A) *in the section heading, by striking*

21           “**Definition**” *and inserting “**Definitions**”;*

22           *and*

23           (B) *in subsection (a)—*

1                   (i) by striking “this subchapter, the  
2                   term” and inserting the following: “this  
3                   subchapter—

4                   “(1) the term”;

5                   (ii) by striking the period at the end  
6                   and inserting “; and”; and

7                   (iii) by adding at the end the fol-  
8                   lowing:

9                   “(2) the term ‘surplus salaries and expenses  
10                  funds’ means amounts made available for the salaries  
11                  and expenses account, or equivalent account, of an  
12                  agency—

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

15                         “(B) that the Inspector General of the agen-  
16                         cy or other agency employee designated under  
17                         section 4512(b) determines are not required for  
18                         the purpose for which the amounts were made  
19                         available;

20                         “(C) that the Chief Financial Officer of the  
21                         agency determines are not required for the pur-  
22                         pose for which the amounts were made available;  
23                         and

1           “(D) the rescission of which would not be  
2           detrimental to the full execution of the purposes  
3           for which the amounts were made available.”.

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

6           (A) in subsection (a)—

7                   (i) in the matter preceding paragraph  
8                   (1), by inserting “or identification of sur-  
9                   plus salaries and expenses funds” after  
10                  “mismanagement”;

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

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

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

17           “(c)(1) *The Inspector General of an agency or other*  
18           *agency employee designated under subsection (b) shall refer*  
19           *to the Chief Financial Officer of the agency any potential*  
20           *surplus salaries and expenses funds identified by an em-*  
21           *ployee that the Inspector General or other agency employee*  
22           *determines meets the requirements under subparagraphs*  
23           *(B) and (D) of section 4511(a)(2), along with any rec-*  
24           *ommendations of the Inspector General or other agency em-*  
25           *ployee.*



1       “(2)(A) *If the Chief Financial Officer of the agency*  
2 *determines that potential surplus salaries and expenses*  
3 *funds referred under paragraph (1) meet the requirements*  
4 *under section 4511(a)(2), except as provided in subsection*  
5 *(d), the head of the agency shall transfer the amount of the*  
6 *surplus funds or unnecessary budget authority from the ap-*  
7 *plicable appropriations account to the general fund of the*  
8 *Treasury.*

9       “(B) *Any amounts transferred under subparagraph*  
10 *(A) shall be deposited in the Treasury and used for deficit*  
11 *reduction, except that in the case of a fiscal year for which*  
12 *there is no Federal budget deficit, such amounts shall be*  
13 *used to reduce the Federal debt (in such manner as the Sec-*  
14 *retary of the Treasury considers appropriate).*

15       “(3) *The Inspector General or other agency employee*  
16 *designated under subsection (b) for each agency and the*  
17 *Chief Financial Officer for each agency shall issue stand-*  
18 *ards and definitions for purposes of making determinations*  
19 *relating to potential surplus salaries and expenses funds*  
20 *identified by an employee under this subsection.*

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

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

1           “(A) used for the purpose of paying a cash  
2           award under subsection (a) to 1 or more employees  
3           who identified the surplus salaries and expenses  
4           funds; and

5           “(B) to the extent amounts remain after paying  
6           cash awards under subsection (a), transferred or re-  
7           programmed for use by the agency, in accordance  
8           with any limitation on such a transfer or reprogram-  
9           ming under any other provision of law.

10          “(e)(1) Not later than October 1 of each fiscal year,  
11          the head of each agency shall submit to the Secretary of  
12          the Treasury a report identifying the total savings achieved  
13          during the previous fiscal year through disclosures of pos-  
14          sible fraud, waste, or mismanagement and identifications  
15          of surplus salaries and expenses funds by an employee.

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

19                 “(A) describes each disclosure of possible fraud,  
20                 waste, or mismanagement or identification of poten-  
21                 tially surplus salaries and expenses funds by an em-  
22                 ployee of the agency determined by the agency to have  
23                 merit; and

24                 “(B) provides the number and amount of cash  
25                 awards by the agency under subsection (a).

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

7       “(4) *The Secretary of the Treasury shall submit to the*  
8 *Committee on Appropriations of the Senate, the Committee*  
9 *on Appropriations of the House of Representatives, and the*  
10 *Government Accountability Office an annual report on Fed-*  
11 *eral cost saving and awards based on the reports submitted*  
12 *under paragraphs (1) and (2).*

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

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

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

20       “(g) *Not later than 3 years after the date of enactment*  
21 *of this subsection, and every 3 years thereafter, the Comp-*  
22 *troller General of the United States shall submit to Congress*  
23 *a report on the operation of the cost savings and awards*  
24 *program under this section, including any recommenda-*  
25 *tions for legislative changes.”.*

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

*“4511. Definitions and general provisions.”.*

6           (4) *SUNSET.—Effective 6 years after the date of*  
7           *enactment of this Act—*

8           (A) *section 4511 of title 5, United States*  
9           *Code, is amended—*

10           (i) *in the section heading, by striking*  
11            **“Definitions”** *and inserting “Defini-*  
12            **tion”**;

13           (ii) *in subsection (a)—*

14           (I) *in paragraph (1), by striking*  
15            “; and” *and inserting a period;*

16           (II) *by striking “this sub-*  
17            *chapter—” and all that follows*  
18            *through “the term ‘agency’ means” and*  
19            *inserting “this subchapter, the term*  
20            *‘agency’ means”; and*

21           (III) *by striking paragraph (2);*

22           (B) *section 4512 of title 5, United States*  
23           *Code, is amended—*

24           (i) *in subsection (a)—*

1                   (I) in the matter preceding para-  
 2                   graph (1), by striking “or identifica-  
 3                   tion of surplus salaries and expenses  
 4                   funds”;

5                   (II) in paragraph (2), by striking  
 6                   “or identification”; and

7                   (III) in the matter following  
 8                   paragraph (2), by striking “or identi-  
 9                   fication”; and

10                  (ii) by striking subsections (c) through  
 11                  (g); and

12                  (C) the table of sections for subchapter II of  
 13                  chapter 45 of title 5, United States Code, is  
 14                  amended by striking the item relating to section  
 15                  4511 and inserting the following:

“4511. Definition and general provisions.”.

16                  (b) OFFICERS ELIGIBLE FOR CASH AWARDS.—

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

19                  **“§4509. Prohibition of cash award to certain officers**

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

22                   “(1) has the meaning given that term under sec-  
 23                   tion 551(1); and

24                   “(2) includes an entity described in section  
 25                   4501(1).

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

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

5               “(2) *is the head of an agency; or*

6               “(3) *is a commissioner, board member, or other*  
7 *voting member of an independent establishment.”.*

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

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



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