

108TH CONGRESS  
1ST SESSION

# S. 129

To provide for reform relating to Federal employment, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JANUARY 9, 2003

Mr. VOINOVICH introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

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## A BILL

To provide for reform relating to Federal employment, 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Federal Workforce Flexibility Act of 2003”.

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

Sec. 1. Short title; table of contents.

**TITLE I—FEDERAL HUMAN RESOURCES MANAGEMENT  
INNOVATIONS**

Sec. 101. Streamlined personnel management demonstration projects.

Sec. 102. Effective date.

TITLE II—REFORMS RELATING TO FEDERAL HUMAN CAPITAL  
MANAGEMENT

- Sec. 201. Recruitment, relocation, and retention bonuses.  
 Sec. 202. Streamlined critical pay authority.  
 Sec. 203. Civil service retirement system computation for part-time service.  
 Sec. 204. Corrections relating to pay administration.

TITLE III—REFORMS RELATING TO FEDERAL EMPLOYEE  
CAREER DEVELOPMENT AND BENEFITS

- Sec. 301. Agency training.  
 Sec. 302. Annual leave enhancements.

1 **TITLE I—FEDERAL HUMAN RE-**  
 2 **SOURCES MANAGEMENT IN-**  
 3 **NOVATIONS**

4 **SEC. 101. STREAMLINED PERSONNEL MANAGEMENT DEM-**  
 5 **ONSTRATION PROJECTS.**

6 Chapter 47 of title 5, United States Code, is amend-  
 7 ed—

8 (1) in section 4701—

9 (A) in subsection (a)—

10 (i) by striking “(a)”;

11 (ii) by striking paragraph (1) and in-  
 12 serting the following:

13 “(1) ‘agency’ means an Executive agency and  
 14 any entity that is subject to any provision of this  
 15 title that could be waived under section 4703, but  
 16 does not include—

17 “(A) the Federal Bureau of Investigation,  
 18 the Central Intelligence Agency, the Defense In-  
 19 telligence Agency, the National Imagery and

1 Mapping Agency, the National Security Agency,  
2 and, as determined by the President, any Exec-  
3 utive agency or unit thereof which is designated  
4 by the President and which has as its principal  
5 function the conduct of foreign intelligence or  
6 counterintelligence activities; or

7 “(B) the General Accounting Office;”;

8 (iii) in paragraph (4), by striking  
9 “and” at the end;

10 (iv) by redesignating paragraph (5) as  
11 paragraph (6); and

12 (v) by inserting after paragraph (4)  
13 the following:

14 “(5) ‘modification’ means a significant change  
15 in 1 or more of the elements of a demonstration  
16 project plan as described in section 4703(b)(1);  
17 and”;

18 (B) by striking subsection (b); and

19 (2) in section 4703—

20 (A) in subsection (a)—

21 (i) by striking “conduct and evaluate  
22 demonstration projects” and inserting  
23 “conduct, modify, and evaluate demonstra-  
24 tion projects”;

1 (ii) by striking “, including any law or  
2 regulation relating to—” and all that fol-  
3 lows and inserting a period; and

4 (iii) by adding at the end the fol-  
5 lowing: “The decision to initiate or modify  
6 a project under this section shall be made  
7 by the Office.”;

8 (B) by striking subsection (b) and insert-  
9 ing the following:

10 “(b) Before conducting or entering into any agree-  
11 ment or contract to conduct a demonstration project, the  
12 Office shall ensure—

13 “(1) that each project has a plan which de-  
14 scribes—

15 “(A) its purpose;

16 “(B) the employees to be covered;

17 “(C) its anticipated outcomes and resource  
18 implications, including how the project relates  
19 to carrying out the agency’s strategic plan, in-  
20 cluding meeting performance goals and objec-  
21 tives, and accomplishing its mission;

22 “(D) the personnel policies and procedures  
23 the project will use that differ from those other-  
24 wise available and applicable, including a spe-  
25 cific citation of any provisions of law, rule, or

1 regulation to be waived and a specific descrip-  
2 tion of any contemplated action for which there  
3 is a lack of specific authority;

4 “(E) the method of evaluating the project;  
5 and

6 “(F) the agency’s system for ensuring that  
7 the project is implemented in a manner con-  
8 sistent with merit system principles;

9 “(2) notification of the proposed project to em-  
10 ployees who are likely to be affected by the project;

11 “(3) an appropriate comment period;

12 “(4) publication of the final plan in the Federal  
13 Register;

14 “(5) notification of the final project at least 90  
15 days in advance of the date any project proposed  
16 under this section is to take effect to employees who  
17 are likely to be affected by the project;

18 “(6) publication of any subsequent modification  
19 in the Federal Register; and

20 “(7) notification of any subsequent modification  
21 to employees who are included in the project.”;

22 (C) in subsection (c)—

23 (i) by striking paragraph (1) and in-  
24 serting the following:

1           “(1) any provision of chapter 63 or subpart G  
2 of part III of this title;”;

3                   (ii) by redesignating paragraphs (4)  
4 and (5) as paragraphs (6) and (7), respec-  
5 tively;

6                   (iii) by inserting after paragraph (3)  
7 the following:

8           “(4) section 7342, 7351, or 7353;

9           “(5) the Ethics in Government Act of 1978 (5  
10 U.S.C. App.);”;

11                   (iv) in paragraph (6) as redesignated,  
12 by striking “paragraph (1), (2), or (3) of  
13 this subsection; or” and inserting “para-  
14 graphs (1) through (5);”;

15           (D) by striking subsections (d) and (e) and  
16 inserting the following:

17           “(d)(1) Unless terminated at an earlier date in ac-  
18 cordance with this section, each demonstration project  
19 shall terminate at the end of the 10-year period beginning  
20 on the date on which the project takes effect.

21           “(2) Before the end of the 5-year period beginning  
22 on the date on which a demonstration project takes effect,  
23 the Office shall submit a recommendation to Congress on  
24 whether Congress should enact legislation to make that  
25 project permanent.

1 “(e) The Office may terminate a demonstration  
2 project under this chapter if the Office determines that  
3 the project—

4 “(1) is not consistent with merit system prin-  
5 ciples set forth in section 2301, veterans’ preference  
6 principles, or the provisions of this chapter; or

7 “(2) otherwise imposes a substantial hardship  
8 on, or is not in the best interests of, the public, the  
9 Government, employees, or eligibles.”; and

10 (E) by striking subsections (h) and (i) and  
11 inserting the following:

12 “(h) Notwithstanding section 2302(e)(1), for pur-  
13 poses of applying section 2302(b)(11) in a demonstration  
14 project under this chapter, the term ‘veterans’ preference  
15 requirement’ means any of the specific provisions of the  
16 demonstration project plan that are designed to ensure  
17 that the project is consistent with veterans’ preference  
18 principles.

19 “(i) The Office shall ensure that each demonstration  
20 project is evaluated. Each evaluation shall assess—

21 “(1) the project’s compliance with the plan de-  
22 veloped under subsection (b)(1); and

23 “(2) the project’s impact on improving public  
24 management.

1       “(j) Upon request of the Director of the Office of  
 2 Personnel Management, agencies shall cooperate with and  
 3 assist the Office in any evaluation undertaken under sub-  
 4 section (i) and provide the Office with requested informa-  
 5 tion and reports relating to the conducting of demonstra-  
 6 tion projects in their respective agencies.”.

7 **SEC. 102. EFFECTIVE DATE.**

8       This title shall take effect 180 days after the date  
 9 of enactment of this Act.

10 **TITLE II—REFORMS RELATING**  
 11 **TO FEDERAL HUMAN CAP-**  
 12 **ITAL MANAGEMENT**

13 **SEC. 201. RECRUITMENT, RELOCATION, AND RETENTION**  
 14 **BONUSES.**

15       (a) BONUSES.—

16           (1) IN GENERAL.—Chapter 57 of title 5, United  
 17 States Code, is amended by striking sections 5753  
 18 and 5754 and inserting the following:

19 **“§ 5753. Recruitment and relocation bonuses**

20       “(a) In this section, the term ‘employee’ has the  
 21 meaning given that term under section 2105, except that  
 22 such term also includes an employee described under sub-  
 23 section (c) of that section.

24       “(b)(1) The Office of Personnel Management may  
 25 authorize the head of an agency to pay a bonus to an indi-



1 vidual appointed or moved to a position that is likely to  
2 be difficult to fill in the absence of such a bonus, if the  
3 individual—

4 “(A)(i) is newly appointed as an employee of  
5 the Federal Government; or

6 “(ii) is currently employed by the Federal Gov-  
7 ernment and moves to a new position in the same  
8 geographic area under circumstances described in  
9 regulations of the Office; or

10 “(B) is currently employed by the Federal Gov-  
11 ernment and must relocate to accept a position sta-  
12 tioned in a different geographic area.

13 “(2) Except as provided by subsection (h), a bonus  
14 may be paid under this section only to an employee cov-  
15 ered by the General Schedule pay system established  
16 under subchapter III of chapter 53.

17 “(c)(1) Payment of a bonus under this section shall  
18 be contingent upon the employee entering into a written  
19 service agreement to complete a period of employment  
20 with the agency, not to exceed 4 years. The Office may,  
21 by regulation, prescribe a minimum service.

22 “(2)(A) The agreement shall include—

23 “(i) the length of the required service period;

24 “(ii) the amount of the bonus;

25 “(iii) the method of payment; and

1           “(iv) other terms and conditions under which  
2           the bonus is payable, subject to subsections (d) and  
3           (e) and regulations of the Office.

4           “(B) The terms and conditions for paying a bonus,  
5 as specified in the service agreement, shall include—

6           “(i) the conditions under which the agreement  
7           may be terminated before the agreed-upon service  
8           period has been completed; and

9           “(ii) the effect of the termination.

10          “(3) The agreement shall be made effective upon em-  
11 ployment with the agency or movement to a new position  
12 or geographic area, as applicable, except that a service  
13 agreement with respect to a recruitment bonus may be  
14 made effective at a later date under circumstances de-  
15 scribed in regulations of the Office, such as when there  
16 is an initial period of formal basic training.

17          “(d)(1) Except as provided in subsection (e), a bonus  
18 under this section shall not exceed 25 percent of the an-  
19 nual rate of basic pay of the employee at the beginning  
20 of the service period multiplied by the number of years  
21 (or fractions thereof) in the service period, not to exceed  
22 4 years.

23          “(2) A bonus under this section may be paid as an  
24 initial lump sum, in installments, as a final lump sum

1 upon the completion of the full service period, or in a com-  
2 bination of these forms of payment.

3 “(3) A bonus under this section is not part of the  
4 basic pay of an employee for any purpose.

5 “(4) Under regulations of the Office, a recruitment  
6 bonus under this section may be paid to an eligible indi-  
7 vidual before that individual enters on duty.

8 “(e) The Office may authorize the head of an agency  
9 to waive the limitation under subsection (d)(1) based on  
10 a critical agency need, subject to regulations prescribed  
11 by the Office. Under such a waiver, the amount of the  
12 bonus may be up to 50 percent of the employee’s annual  
13 rate of basic pay at the beginning of the service period  
14 multiplied by the number of years (or fractions thereof)  
15 in the service period, not to exceed 100 percent of the em-  
16 ployee’s annual rate of basic pay at the beginning of the  
17 service period.

18 “(f) The Office shall require that, before paying a  
19 bonus under this section, an agency shall establish a plan  
20 for paying recruitment bonuses and a plan for paying relo-  
21 cation bonuses, subject to regulations prescribed by the  
22 Office.

23 “(g) The Office may prescribe regulations to carry  
24 out this section, including regulations relating to the re-  
25 payment of a recruitment or relocation bonus in appro-

1 p r i a t e c i r c u m s t a n c e s w h e n t h e a g r e e d - u p o n s e r v i c e p e r i o d  
2 h a s n o t b e e n c o m p l e t e d .

3 “(h)(1) A t t h e r e q u e s t o f t h e h e a d o f a n E x e c u t i v e  
4 a g e n c y , t h e O f f i c e m a y e x t e n d c o v e r a g e u n d e r t h i s s e c t i o n  
5 t o c a t e g o r i e s o f e m p l o y e e s w i t h i n t h e a g e n c y w h o o t h e r -  
6 w i s e w o u l d n o t b e c o v e r e d b y t h i s s e c t i o n .

7 “(2) T h e O f f i c e s h a l l n o t e x t e n d c o v e r a g e t o t h e h e a d  
8 o f a n E x e c u t i v e a g e n c y , i n c l u d i n g a n E x e c u t i v e a g e n c y  
9 h e a d e d b y a b o a r d o r o t h e r c o l l e g i a l b o d y c o m p o s e d o f 2  
10 o r m o r e i n d i v i d u a l m e m b e r s .

11 **“§ 5754. Retention bonuses**

12 “(a) I n t h i s s e c t i o n , t h e t e r m ‘ e m p l o y e e ’ h a s t h e  
13 m e a n i n g g i v e n t h a t t e r m u n d e r s e c t i o n 2105, e x c e p t t h a t  
14 s u c h t e r m a l s o i n c l u d e s a n e m p l o y e e d e s c r i b e d i n s u b -  
15 s e c t i o n ( c ) o f t h a t s e c t i o n .

16 “(b) T h e O f f i c e o f P e r s o n n e l M a n a g e m e n t m a y a u -  
17 t h o r i z e t h e h e a d o f a n a g e n c y t o p a y a r e t e n t i o n b o n u s  
18 t o a n e m p l o y e e , s u b j e c t t o r e g u l a t i o n s p r e s c r i b e d b y t h e  
19 O f f i c e , i f —

20 “(1) t h e u n u s u a l l y h i g h o r u n i q u e q u a l i f i c a t i o n s  
21 o f t h e e m p l o y e e o r a s p e c i a l n e e d o f t h e a g e n c y f o r  
22 t h e e m p l o y e e ’ s s e r v i c e s m a k e s i t e s s e n t i a l t o r e t a i n  
23 t h e e m p l o y e e ; a n d

1           “(2) the agency determines that, in the absence  
2           of a retention bonus, the employee would be likely to  
3           leave—

4                   “(A) the Federal service; or

5                   “(B) for a different position in the Federal  
6           service under conditions described in regula-  
7           tions of the Office.

8           “(c) The Office may authorize the head of an agency  
9           to pay retention bonuses to a group of employees in 1 or  
10          more categories of positions in 1 or more geographic areas,  
11          subject to the requirements of subsection (b)(1) and regu-  
12          lations prescribed by the Office, if there is a high risk that  
13          a significant portion of employees in the group would be  
14          likely to leave in the absence of retention bonuses.

15          “(d) Except as provided in subsection (j), a bonus  
16          may be paid only to an employee covered by the General  
17          Schedule pay system established under subchapter III of  
18          chapter 53.

19          “(e)(1) Payment of a retention bonus is contingent  
20          upon the employee entering into a written service agree-  
21          ment with the agency to complete a period of employment  
22          with the agency.

23          “(2)(A) The agreement shall include—

24                   “(i) the length of the required service period;

25                   “(ii) the amount of the bonus;

1           “(iii) the method of payment; and

2           “(iv) other terms and conditions under which  
3       the bonus is payable, subject to subsections (f) and  
4       (g) and regulations of the Office.

5           “(B) The terms and conditions for paying a bonus,  
6       as specified in the service agreement, shall include—

7           “(i) the conditions under which the agreement  
8       may be terminated before the agreed-upon service  
9       period has been completed; and

10          “(ii) the effect of the termination.

11          “(3)(A) Notwithstanding paragraph (1), a written  
12       service agreement is not required if the agency pays a re-  
13       tention bonus in biweekly installments and sets the install-  
14       ment payment at the full bonus percentage rate estab-  
15       lished for the employee with no portion of the bonus de-  
16       ferred.

17          “(B) If an agency pays a retention bonus in accord-  
18       ance with subparagraph (A) and makes a determination  
19       to terminate the payments, the agency shall provide writ-  
20       ten notice to the employee of that determination. Except  
21       as provided in regulations of the Office, the employee shall  
22       continue to be paid the retention bonus through the end  
23       of the pay period in which such written notice is provided.

1       “(4) A retention bonus for an employee may not be  
2 based on any period of such service which is the basis for  
3 a recruitment or relocation bonus under section 5753.

4       “(f)(1) Except as provided in subsection (g), a reten-  
5 tion bonus, which shall be stated as a percentage of the  
6 employee’s basic pay for the service period associated with  
7 the bonus, may not exceed—

8           “(A) 25 percent of the employee’s basic pay if  
9       paid under subsection (b); or

10          “(B) 10 percent of an employee’s basic pay if  
11       paid under subsection (c).

12       “(2) A retention bonus may be paid to an employee  
13 in installments after completion of specified periods of  
14 service or in a single lump sum at the end of the full pe-  
15 riod of service required by the agreement. An installment  
16 payment may not exceed the product derived from multi-  
17 plying the amount of basic pay earned in the installment  
18 period by a percentage not to exceed the bonus percentage  
19 rate established for the employee. If the installment pay-  
20 ment percentage is less than the bonus percentage rate,  
21 the accrued but unpaid portion of the bonus is payable  
22 as part of the final installment payment to the employee  
23 after completion of the full service period under the terms  
24 of the service agreement.

1       “(3) A retention bonus is not part of the basic pay  
2 of an employee for any purpose.

3       “(g) Upon the request of the head of an agency, the  
4 Office may waive the limit established under subsection  
5 (f)(1) and permit the agency head to pay an otherwise  
6 eligible employee or category of employees retention bo-  
7 nuses of up to 50 percent of basic pay, based on a critical  
8 agency need.

9       “(h) The Office shall require that, before paying a  
10 bonus under this section, an agency shall establish a plan  
11 for paying retention bonuses, subject to regulations pre-  
12 scribed by the Office.

13       “(i) The Office may prescribe regulations to carry out  
14 this section.

15       “(j)(1) At the request of the head of an Executive  
16 agency, the Office may extend coverage under this section  
17 to categories of employees within the agency who other-  
18 wise would not be covered by this section.

19       “(2) The Office shall not extend coverage under this  
20 section to the head of an Executive agency, including an  
21 Executive agency headed by a board or other collegial body  
22 composed of 2 or more individual members.”.

23               (2) TECHNICAL AND CONFORMING AMEND-  
24       MENT.—The table of sections for chapter 57 of title  
25       5, United States Code, is amended by striking the



1 item relating to section 5754 and inserting the fol-  
2 lowing:

“5754. Retention bonuses.”.

3 (b) RELOCATION PAYMENTS.—Section 407 of the  
4 Federal Employees Pay Comparability Act of 1990 (5  
5 U.S.C. 5305 note; 104 Stat. 1467) is repealed.

6 (c) EFFECTIVE DATE AND APPLICATION.—

7 (1) EFFECTIVE DATE.—Except as provided  
8 under paragraphs (2) and (3), this section shall take  
9 effect on the first day of the first applicable pay pe-  
10 riod beginning on or after 180 days after the date  
11 of enactment of this Act.

12 (2) APPLICATION TO AGREEMENTS.—A recruit-  
13 ment or relocation bonus service agreement that was  
14 authorized under section 5753 of title 5, United  
15 States Code, before the effective date under para-  
16 graph (1) shall continue, until its expiration, to be  
17 subject to section 5753 as in effect on the day before  
18 such effective date.

19 (3) APPLICATION TO ALLOWANCES.—Payment  
20 of a retention allowance that was authorized under  
21 section 5754 of title 5, United States Code, before  
22 the effective date under paragraph (1) shall con-  
23 tinue, subject to section 5754 as in effect on the day  
24 before such effective date, until the retention allow-

1       ance is reauthorized or terminated (but no longer  
2       than 1 year after such effective date).

3       **SEC. 202. STREAMLINED CRITICAL PAY AUTHORITY.**

4       Section 5377 of title 5, United States Code, is  
5       amended—

6               (1) by striking subsection (c) and inserting the  
7       following:

8       “(c) The Office of Personnel Management, in con-  
9       sultation with the Office of Management and Budget,  
10      may, upon the request of the head of an agency, grant  
11      authority to fix the rate of basic pay for 1 or more posi-  
12      tions in such agency in accordance with this section.”;

13              (2) in subsection (e)(1), by striking “Office of  
14      Management and Budget” and inserting “Office of  
15      Personnel Management”;

16              (3) by striking subsections (f) and (g) and in-  
17      serting the following:

18      “(f) The Office of Personnel Management may not  
19      authorize the exercise of authority under this section with  
20      respect to more than 800 positions at any 1 time, of which  
21      not more than 30 may, at any such time, be positions the  
22      rate of basic pay for which would otherwise be determined  
23      under subchapter II.

24      “(g) The Office of Personnel Management shall con-  
25      sult with the Office of Management and Budget before

1 making any decision to grant or terminate any authority  
2 under this section.”; and

3 (4) in subsection (h), by striking “The Office of  
4 Management and Budget shall report to the Com-  
5 mittee on Post Office and Civil Service” and insert-  
6 ing “The Office of Personnel Management shall re-  
7 port to the Committee on Government Reform.”.

8 **SEC. 203. CIVIL SERVICE RETIREMENT SYSTEM COMPUTA-**  
9 **TION FOR PART-TIME SERVICE.**

10 Section 8339(p) of title 5, United States Code, is  
11 amended by adding at the end the following:

12 “(3) In the administration of paragraph (1)—

13 “(A) subparagraph (A) of such paragraph  
14 shall apply to any service performed before, on,  
15 or after April 7, 1986;

16 “(B) subparagraph (B) of such paragraph  
17 shall apply to all service performed on a part-  
18 time or full-time basis on or after April 7,  
19 1986; and

20 “(C) any service performed on a part-time  
21 basis before April 7, 1986, shall be credited as  
22 service performed on a full-time basis.”.

1 **SEC. 204. CORRECTIONS RELATING TO PAY ADMINISTRA-**  
2 **TION.**

3 (a) IN GENERAL.—Chapter 53 of title 5, United  
4 States Code, is amended—

5 (1) in section 5302, by striking paragraph (8)  
6 and inserting the following:

7 “(8) the term ‘rates of pay under the General  
8 Schedule’, ‘rates of pay for the General Schedule’, or  
9 ‘scheduled rates of basic pay’ means the unadjusted  
10 rates of basic pay in the General Schedule as estab-  
11 lished by section 5332, excluding additional pay of  
12 any kind; and”;

13 (2) in section 5305—

14 (A) by striking subsection (a) and insert-  
15 ing the following:

16 “(a)(1) Whenever the Office of Personnel Manage-  
17 ment finds that the Government’s recruitment or retention  
18 efforts with respect to 1 or more occupations in 1 or more  
19 areas or locations are, or are likely to become, significantly  
20 handicapped due to any of the circumstances described in  
21 subsection (b), the Office may establish for the areas or  
22 locations involved, with respect to individuals in positions  
23 paid under any of the pay systems referred to in sub-  
24 section (c), higher minimum rates of pay for 1 or more  
25 grades or levels, occupational groups, series, classes, or  
26 subdivisions thereof, and may make corresponding in-

1 creases in all rates of pay range for each such grade or  
2 level. However, a minimum rate so established may not  
3 exceed the maximum rate of basic pay (excluding any lo-  
4 cality-based comparability payment under section 5304 or  
5 similar provision of law) for the grade or level by more  
6 than 30 percent, and no rate may be established under  
7 this section in excess of the rate of basic pay payable for  
8 level IV of the Executive Schedule. In the case of individ-  
9 uals not subject to the provisions of this title governing  
10 appointment in the competitive service, the President may  
11 designate another agency to authorize special rates under  
12 this section.

13       “(2) The head of an agency may determine that a  
14 category of employees of the agency will not be covered  
15 by a special rate authorization established under this sec-  
16 tion. The head of an agency shall provide written notice  
17 to the Office of Personnel Management (or other agency  
18 designated by the President to authorize special rates)  
19 which identifies the specific category or categories of em-  
20 ployees that will not be covered by special rates authorized  
21 under this section. If the head of an agency removes a  
22 category of employees from coverage under a special rate  
23 authorization after that authorization takes effect, the loss  
24 of coverage will take effect on the first day of the first  
25 pay period after the date of the notice.”;

1 (B) in subsection (b), by striking para-  
2 graph (4) and inserting the following:

3 “(4) any other circumstances which the Office  
4 of Personnel Management (or such agency as the  
5 President may designate) considers appropriate.”;

6 (C) in subsection (d)—

7 (i) by striking “President” and insert-  
8 ing “Office of Personnel Management”;  
9 and

10 (ii) by striking “he” and inserting  
11 “the President”;

12 (D) in subsection (e), by striking “basic  
13 pay” and inserting “pay”;

14 (E) by striking subsection (f) and inserting  
15 the following:

16 “(f) When a schedule of special rates established  
17 under this section is adjusted under subsection (d), a cov-  
18 ered employee’s special rate will be adjusted in accordance  
19 with conversion rules prescribed by the Office of Personnel  
20 Management or by such agency as the President may des-  
21 ignate.”;

22 (F) in subsection (g)(1)—

23 (i) by striking “basic pay” and insert-  
24 ing “pay”; and

1 (ii) by striking “President (or his des-  
2 ignated agency)” and inserting “Office of  
3 Personnel Management (or such agency as  
4 the President may designate)”;

5 (G) by striking subsection (h) and insert-  
6 ing the following:

7 “(h) An employee’s entitlement to a rate of pay estab-  
8 lished under this section terminates when the employee is  
9 entitled to a higher rate of pay (including basic pay as  
10 adjusted to include any locality-based comparability pay-  
11 ment under section 5304 or similar provision of law).”;  
12 and

13 (H) by adding at the end the following:

14 “(i) When an employee who is receiving a rate of pay  
15 established under this section moves to a new official duty  
16 station at which different pay schedules apply, the em-  
17 ployee shall be entitled to the rates of pay applicable in  
18 the new pay area based on the employee’s position, grade,  
19 and step (or relative position in the rate range) before the  
20 movement, as determined under regulations prescribed by  
21 the Office of Personnel Management or other agency des-  
22 ignated by the President under subsection (a). Such pay  
23 conversion upon geographic movement shall be effected be-  
24 fore processing any other simultaneous pay action (other  
25 than a general pay adjustment).

1 “(j) A rate established under this section shall be con-  
2 sidered to be part of basic pay for purposes of subchapter  
3 III of chapter 83, chapter 84, chapter 87, subchapter V  
4 of chapter 55, section 5941, and for such other purposes  
5 as may be expressly provided for by law or as the Office  
6 of Personnel Management may by regulation prescribe.”;

7 (3) in section 5334—

8 (A) in subsection (b), by adding at the end  
9 the following:

10 “If an employee’s rate after promotion or transfer is  
11 greater than the maximum rate of basic pay for the em-  
12 ployee’s grade, that rate shall be treated as a retained rate  
13 under section 5363. The Office of Personnel Management  
14 shall prescribe by regulation the circumstances under  
15 which and the extent to which special rates under section  
16 5305 (or similar provision of law) or locality-adjusted  
17 rates under section 5304 (or similar provision of law) are  
18 considered to be basic pay in applying this subsection.”;

19 and

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

21 “(g) When an employee moves to a new official duty  
22 station at which different pay schedules apply, the em-  
23 ployee shall be entitled to the rates of pay applicable in  
24 the new pay area based on the employee’s position, grade,  
25 and step (or relative position in the rate range) before the



1 movement. Such pay conversion upon geographic move-  
2 ment shall be effected before processing any other simulta-  
3 neous pay action (other than a general pay adjustment).”;

4 (4) in section 5361—

5 (A) by striking paragraphs (3) and (4) and  
6 redesignating paragraphs (5) through (7) as  
7 paragraphs (3) through (5), respectively;

8 (B) in paragraph (4), as redesignated, by  
9 striking “and” at the end;

10 (C) in paragraph (5), as redesignated, by  
11 striking the period and inserting a semicolon;  
12 and

13 (D) by adding at the end the following:

14 “(6) ‘rate of basic pay’ means—

15 “(A) the rate of pay prescribed by law (in-  
16 cluding regulations) for the position held by an  
17 employee before any deductions or additions of  
18 any kind, but including—

19 “(i) any applicable locality-based pay-  
20 ment under section 5304 or similar provi-  
21 sion of law;

22 “(ii) any applicable special salary rate  
23 under section 5305 or similar provision of  
24 law; and

1                   “(iii) any applicable existing retained  
2                   rate of pay established under section 5363  
3                   or similar provision of law; and

4                   “(B) in the case of a prevailing rate em-  
5                   ployee, the scheduled rate of pay determined  
6                   under section 5343;

7                   “(7) ‘former highest applicable rate of basic  
8                   pay’ means the highest applicable rate of basic pay  
9                   payable to the employee immediately before the ac-  
10                  tion that triggers pay retention under section 5363;  
11                  and

12                  “(8) ‘highest applicable basic pay rate range’  
13                  means the range of rates of basic pay for the grade  
14                  or level of the employee’s current position with the  
15                  highest maximum rate, except as otherwise provided  
16                  in regulations prescribed by the Office of Personnel  
17                  Management in cases where another rate range pro-  
18                  vides higher rates only in the lower portion of the  
19                  range.’”;

20                  (5) in section 5363—

21                  (A) in subsection (a), by amending the  
22                  matter following paragraph (4) to read as fol-  
23                  lows:

24                  “is entitled to pay retention under the conditions set forth  
25                  in this section. Notwithstanding any other provision of

1 law, this section may not be applied to employees whose  
2 rate of basic pay is reduced solely because of the recompu-  
3 tation of pay upon movement to a new official duty station  
4 at which different pay schedules apply. When a geographic  
5 move is accompanied by a simultaneous pay action that  
6 reduces the employee's rate of basic pay after the employ-  
7 ee's pay has been recomputed to reflect the geographic  
8 move, this section shall be applied, if otherwise applica-  
9 ble.”; and

10 (B) by striking subsections (b) and (c) and  
11 inserting the following:

12 “(b)(1) If an employee is entitled to pay retention  
13 under subsection (a), paragraphs (2) and (3) shall apply  
14 in determining the employee's rate of pay:

15 “(2) If the employee's former highest applicable rate  
16 of basic pay is less than or equal to the maximum rate  
17 of the highest applicable basic pay rate range for the em-  
18 ployee's current position, the employee is entitled to the  
19 lowest payable rate of basic pay in that rate range that  
20 equals or exceeds the former rate, and pay retention  
21 ceases to apply.

22 “(3) If the employee's former highest applicable rate  
23 of basic pay exceeds the maximum rate of the highest ap-  
24 plicable basic pay rate range for the employee's current

1 position, the employee is entitled to a retained rate equal  
2 to the lesser of—

3 “(A) the employee’s former highest applicable  
4 rate of basic pay; or

5 “(B) 150 percent of the maximum rate of the  
6 highest applicable basic pay rate range for the em-  
7 ployee’s position.

8 “(c) An employee’s retained rate shall be increased  
9 at the time of any increase in the maximum rate of the  
10 highest applicable basic pay rate range for the employee’s  
11 position by 50 percent of the dollar increase in that max-  
12 imum rate.

13 “(d) The rate of pay for an employee who is receiving  
14 a retained rate under this section and who is moved to  
15 a new official duty station at which different pay schedules  
16 apply shall be determined under regulations prescribed by  
17 the Office of Personnel Management consistent with the  
18 purposes of this section.

19 “(e) A retained rate shall be considered part of basic  
20 pay for purposes of this subchapter and for purposes of  
21 subchapter III of chapter 83, chapters 84 and 87, sub-  
22 chapter V of chapter 55, section 5941, and for such other  
23 purposes as may be expressly provided for by law or as  
24 the law or as the Office of Personnel Management may  
25 by regulation prescribe. For other purposes, the Office

1 shall prescribe by regulation what constitutes basic pay  
2 for employees receiving a retained rate.

3 “(f) Subsections (a) through (e) do not apply (or shall  
4 cease to apply) to an employee who—

5 “(1) has a break in service of 1 workday or  
6 more;

7 “(2) is entitled by operation of this subchapter  
8 or chapter 51 or 53 to a rate of basic pay which is  
9 equal to or higher than, or declines a reasonable  
10 offer of a position the rate of basic pay for which  
11 is equal to or higher than, the rate to which the em-  
12 ployee is entitled under this section; or

13 “(3) is demoted for personal cause or at the  
14 employee’s request.”; and

15 (6) in section 5365(b) by inserting after “provi-  
16 sions of this subchapter” the following: “(subject to  
17 any conditions or limitations the Office may estab-  
18 lish)”.

19 (b) SPECIAL RATES FOR LAW ENFORCEMENT OFFI-  
20 CERS.—Section 403(c) of the Federal Employees Pay  
21 Comparability Act of 1990 (5 U.S.C. 5305 note; Public  
22 Law 101–509) is amended by striking all after “provision  
23 of law)” and inserting “and shall be basic pay for all pur-  
24 poses. The rates shall be adjusted at the time of adjust-

1 ments in the General Schedule to maintain the step link-  
 2 age set forth in subsection (b)(2).”.

3 (c) PAY RETENTION.—Subject to any regulations the  
 4 Office of Personnel Management may prescribe, any em-  
 5 ployee in a covered pay schedule who is receiving a re-  
 6 tained rate under section 5363 of title 5, United States  
 7 Code, or similar authority on the effective date of this Act  
 8 shall have the pay of that employee converted on that date.  
 9 The newly applicable retained rate shall equal the formerly  
 10 applicable retained rate as adjusted to include any applica-  
 11 ble locality-based payment under section 5304 of title 5,  
 12 United States Code, or similar provision of law. Any em-  
 13 ployee in a covered pay system receiving a rate that ex-  
 14 ceeds the maximum rate of the highest applicable basic  
 15 pay rate range for the employee’s position (as defined  
 16 under section 5361(8) of that title, as amended by this  
 17 Act) under any authority shall be considered to be receiv-  
 18 ing a retained rate under section 5363 of that title.

19 **TITLE III—REFORMS RELATING**  
 20 **TO FEDERAL EMPLOYEE CA-**  
 21 **REER DEVELOPMENT AND**  
 22 **BENEFITS**

23 **SEC. 301. AGENCY TRAINING.**

24 (a) TRAINING TO ACCOMPLISH PERFORMANCE  
 25 PLANS AND STRATEGIC GOALS.—Section 4103 of title 5,

1 United States Code, is amended by adding at the end the  
2 following:

3 “(c) The head of each agency shall—

4 “(1) evaluate each program or plan established,  
5 operated, or maintained under subsection (a) with  
6 respect to accomplishing specific performance plans  
7 and strategic goals in performing the agency mis-  
8 sion; and

9 “(2) modify such program or plan to accom-  
10 plish such plans and goals.”.

11 (b) AGENCY TRAINING OFFICER; SPECIFIC TRAINING  
12 PROGRAMS.—

13 (1) IN GENERAL.—Chapter 41 of title 5, United  
14 States Code, is amended by adding after section  
15 4119 the following:

16 “§ 4120. **Agency training officer**

17 “Each agency shall appoint or designate a training  
18 officer who shall be responsible for developing, coordi-  
19 nating, and administering training for the agency.

20 “§ 4121. **Specific training programs**

21 “In consultation with the Office of Personnel Man-  
22 agement, each head of an agency shall establish—

23 “(1) a comprehensive management succession  
24 program to provide training to employees to develop  
25 managers for the agency; and

1           “(2) a program to provide training to managers  
2           on actions, options, and strategies a manager may  
3           use in—

4                   “(A) relating to employees with unaccept-  
5           able performances; and

6                   “(B) mentoring employees and improving  
7           employee performance and productivity.”.

8           (2) TECHNICAL AND CONFORMING AMEND-  
9           MENT.—The table of sections for chapter 41 of title  
10          5, United States Code, is amended by adding at the  
11          end the following:

“4120. Agency training officer.

“4121. Specific training programs.”.

12 **SEC. 302. ANNUAL LEAVE ENHANCEMENTS.**

13          (a) ACCRUAL OF LEAVE FOR NEWLY HIRED FED-  
14          ERAL EMPLOYEES WITH QUALIFIED EXPERIENCE.—

15               (1) IN GENERAL.—Section 6303 of title 5,  
16          United States Code, is amended by adding at the  
17          end the following:

18               “(e)(1) In this subsection, the term ‘period of quali-  
19          fied non-Federal service’ means any equal period of service  
20          performed by an individual that—

21                   “(A) except for this subsection would not other-  
22          wise be service performed by an employee for pur-  
23          poses of subsection (a); and

24                   “(B) was performed in a position—



1           “(i) the duties of which were directly re-  
2           lated to the duties of the position in an agency  
3           that such individual holds; and

4           “(ii) which meets such other conditions as  
5           the Office of Personnel Management shall pre-  
6           scribe by regulation.

7           “(2) For purposes of subsection (a), the head of an  
8           agency may deem a period of qualified non-Federal service  
9           performed by an individual to be a period of service per-  
10          formed as an employee.”.

11          (2) EFFECTIVE DATE.—This section shall take  
12          effect 120 days after the date of enactment of this  
13          Act and shall only apply to an individual hired on  
14          or after that effective date.

15          (b) SENIOR EXECUTIVE SERVICE ANNUAL LEAVE  
16          ENHANCEMENTS.—

17          (1) IN GENERAL.—Section 6303(a) of title 5,  
18          United States Code, is amended—

19                  (A) in paragraph (2), by striking “and” at  
20                  the end;

21                  (B) in paragraph (3), by striking the pe-  
22                  riod at the end and inserting “; and”; and

23                  (C) by adding after paragraph (3) the fol-  
24                  lowing:

1           “(4) one day for each full biweekly pay period  
2           for an employee in a position paid under section  
3           5376 or 5383, or for an employee in an equivalent  
4           category for which the minimum rate of basic pay is  
5           greater than the rate payable at GS–15, step 10.”.

6           (2) REGULATIONS.—Not later than 120 days  
7           after the date of enactment of this Act, the Office  
8           of Personnel Management shall prescribe regulations  
9           to carry out the amendments made by this sub-  
10          section.

11          (3) EFFECTIVE DATES.—

12                 (A) IN GENERAL.—Paragraph (1) shall  
13                 take effect 120 days after the date of enact-  
14                 ment of this Act.

15                 (B) REGULATIONS.—Paragraph (2) shall  
16                 take effect on the date of enactment of this Act.

○