

Calendar No. 428

108TH CONGRESS
2D SESSION**S. 129****[Report No. 108–223]**

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

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

JANUARY 27, 2004

Reported by Ms. COLLINS, with an amendment

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

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”.

1 (b) **TABLE OF CONTENTS.**—The table of contents of
 2 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.

3 **TITLE I—FEDERAL HUMAN RE-**
 4 **SOURCES MANAGEMENT IN-**
 5 **NOVATIONS**

6 **SEC. 101. STREAMLINED PERSONNEL MANAGEMENT DEM-**
 7 **ONSTRATION PROJECTS.**

8 Chapter 47 of title 5, United States Code, is amend-
 9 ed—

10 (1) in section 4701—

11 (A) in subsection (a)—

12 (i) by striking “(a)”;

13 (ii) by striking paragraph (1) and in-
 14 serting the following:

15 “(1) ‘agency’ means an Executive agency and
 16 any entity that is subject to any provision of this

1 title that could be waived under section 4703, but
 2 does not include—

3 “(A) the Federal Bureau of Investigation,
 4 the Central Intelligence Agency, the Defense In-
 5 telligence Agency, the National Imagery and
 6 Mapping Agency, the National Security Agency,
 7 and, as determined by the President, any Exec-
 8 utive agency or unit thereof which is designated
 9 by the President and which has as its principal
 10 function the conduct of foreign intelligence or
 11 counterintelligence activities; or

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

13 (iii) in paragraph (4), by striking

14 “and” at the end;

15 (iv) by redesignating paragraph (5) as
 16 paragraph (6); and

17 (v) by inserting after paragraph (4)
 18 the following:

19 “(5) ‘modification’ means a significant change
 20 in 1 or more of the elements of a demonstration
 21 project plan as described in section 4703(b)(1);
 22 and”; and

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

24 (2) in section 4703—

25 (A) in subsection (a)—

1 (i) by striking “conduct and evaluate
 2 demonstration projects” and inserting
 3 “conduct, modify, and evaluate demonstra-
 4 tion projects”;

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

8 (iii) by adding at the end the fol-
 9 lowing: “The decision to initiate or modify
 10 a project under this section shall be made
 11 by the Office.”;

12 (B) by striking subsection (b) and insert-
 13 ing the following:

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

17 “(1) that each project has a plan which de-
 18 scribes—

19 “(A) its purpose;

20 “(B) the employees to be covered;

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

1 “(D) the personnel policies and procedures
2 the project will use that differ from those other-
3 wise available and applicable, including a spe-
4 cific citation of any provisions of law, rule, or
5 regulation to be waived and a specific descrip-
6 tion of any contemplated action for which there
7 is a lack of specific authority;

8 “(E) the method of evaluating the project;
9 and

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

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

15 “(3) an appropriate comment period;

16 “(4) publication of the final plan in the Federal
17 Register;

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

22 “(6) publication of any subsequent modification
23 in the Federal Register; and

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

1 (C) in subsection (c)—

2 (i) by striking paragraph (1) and in-
3 serting the following:

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

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

9 (iii) by inserting after paragraph (3)
10 the following:

11 “(4) section 7342, 7351, or 7353;

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

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

18 (D) by striking subsections (d) and (e) and
19 inserting the following:

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

24 “(2) Before the end of the 5-year period beginning
25 on the date on which a demonstration project takes effect,

1 the Office shall submit a recommendation to Congress on
 2 whether Congress should enact legislation to make that
 3 project permanent.

4 “(e) The Office may terminate a demonstration
 5 project under this chapter if the Office determines that
 6 the project—

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

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

13 (E) by striking subsections (h) and (i) and
 14 inserting the following:

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

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

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

1 “(2) the project’s impact on improving public
2 management.”

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

9 **SEC. 102. EFFECTIVE DATE.**

10 This title shall take effect 180 days after the date
11 of enactment of this Act.

12 **TITLE II—REFORMS RELATING**
13 **TO FEDERAL HUMAN CAP-**
14 **ITAL MANAGEMENT**

15 **SEC. 201. RECRUITMENT, RELOCATION, AND RETENTION**
16 **BONUSES.**

17 (a) BONUSES.—

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

21 **“§ 5753. Recruitment and relocation bonuses**

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

1 “(b)(1) The Office of Personnel Management may
 2 authorize the head of an agency to pay a bonus to an indi-
 3 vidual appointed or moved to a position that is likely to
 4 be difficult to fill in the absence of such a bonus, if the
 5 individual—

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

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

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

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

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

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

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

1 “(ii) the amount of the bonus;

2 “(iii) the method of payment; and

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

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

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

11 “(ii) the effect of the termination.

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

19 “(d)(1) Except as provided in subsection (e), a bonus
20 under this section shall not exceed 25 percent of the an-
21 nual rate of basic pay of the employee at the beginning
22 of the service period multiplied by the number of years
23 (or fractions thereof) in the service period, not to exceed
24 4 years.

1 ~~“(2) A bonus under this section may be paid as an~~
2 ~~initial lump sum, in installments, as a final lump sum~~
3 ~~upon the completion of the full service period, or in a com-~~
4 ~~bination of these forms of payment.~~

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

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

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

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

1 “(g) The Office may prescribe regulations to carry
 2 out this section, including regulations relating to the re-
 3 payment of a recruitment or relocation bonus in appro-
 4 priate circumstances when the agreed-upon service period
 5 has not been completed.

6 “(h)(1) At the request of the head of an Executive
 7 agency, the Office may extend coverage under this section
 8 to categories of employees within the agency who other-
 9 wise would not be covered by this section.

10 “(2) The Office shall not extend coverage to the head
 11 of an Executive agency, including an Executive agency
 12 headed by a board or other collegial body composed of 2
 13 or more individual members.

14 **“§ 5754. Retention bonuses**

15 “(a) In this section, the term ‘employee’ has the
 16 meaning given that term under section 2105, except that
 17 such term also includes an employee described in sub-
 18 section (c) of that section.

19 “(b) The Office of Personnel Management may au-
 20 thorize the head of an agency to pay a retention bonus
 21 to an employee, subject to regulations prescribed by the
 22 Office, if—

23 “(1) the unusually high or unique qualifications
 24 of the employee or a special need of the agency for

1 the employee's services makes it essential to retain
 2 the employee; and

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

6 “(A) the Federal service; or

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

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

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

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

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

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

2 “(ii) the amount of the bonus;

3 “(iii) the method of payment; and

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

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

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

12 “(ii) the effect of the termination.

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

19 “(B) If an agency pays a retention bonus in accord-
20 ance with subparagraph (A) and makes a determination
21 to terminate the payments, the agency shall provide writ-
22 ten notice to the employee of that determination. Except
23 as provided in regulations of the Office, the employee shall
24 continue to be paid the retention bonus through the end
25 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 (e) and inserting the
7 following:

8 “(e) 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

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

ments in the General Schedule to maintain the step linkage set forth in subsection (b)(2).”.

(c) **PAY RETENTION.**—Subject to any regulations the Office of Personnel Management may prescribe, any employee in a covered pay schedule who is receiving a retained rate under section 5363 of title 5, United States Code, or similar authority on the effective date of this Act shall have the pay of that employee converted on that date. The newly applicable retained rate shall equal the formerly applicable retained rate as adjusted to include any applicable locality-based payment under section 5304 of title 5, United States Code, or similar provision of law. Any employee in a covered pay system receiving a rate that exceeds the maximum rate of the highest applicable basic pay rate range for the employee’s position (as defined under section 5361(8) of that title, as amended by this Act) under any authority shall be considered to be receiving a retained rate under section 5363 of that title.

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

SEC. 301. AGENCY TRAINING.

(a) **TRAINING TO ACCOMPLISH PERFORMANCE 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.

17 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

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

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

Sec. 1. Short title; table of contents.

**TITLE I—REFORMS RELATING TO FEDERAL HUMAN CAPITAL
 MANAGEMENT**

Sec. 101. Recruitment, relocation, and retention bonuses.

Sec. 102. Streamlined critical pay authority.

Sec. 103. Civil service retirement system computation for part-time service.

Sec. 104. Retirement service credit for cadet or midshipman service.

Sec. 105. Senior Executive Service authority for White House Office of Administration.

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

Sec. 201. Agency training.

Sec. 202. Annual leave enhancements.

Sec. 203. Compensatory time off for travel.

1 TITLE I—REFORMS RELATING TO
2 FEDERAL HUMAN CAPITAL
3 MANAGEMENT

4 SEC. 101. RECRUITMENT, RELOCATION, AND RETENTION
5 BONUSES.

6 (a) BONUSES.—

7 (1) IN GENERAL.—Chapter 57 of title 5, United
8 States Code, is amended by inserting after section
9 5754 the following:

10 “§ 5754a. Recruitment and relocation bonuses

11 “(a) In this section, the term ‘employee’ has the mean-
12 ing given that term under section 2105, except that such
13 term also includes an employee described under subsection
14 (c) of that section.

15 “(b)(1) The Office of Personnel Management may au-
16 thorize the head of an agency to pay a bonus to an indi-
17 vidual appointed or moved to a position that is likely to
18 be difficult to fill in the absence of such a bonus, if the indi-
19 vidual—

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

1 “(ii) is currently employed by the Federal Gov-
 2 ernment and moves to a new position in the same ge-
 3 ographic area under circumstances described in regu-
 4 lations of the Office; or

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

8 “(2) Except as provided by subsection (h), a bonus
 9 may be paid under this section only to an employee covered
 10 by the General Schedule pay system established under sub-
 11 chapter III of chapter 53.

12 “(c)(1) Payment of a bonus under this section shall
 13 be contingent upon the employee entering into a written
 14 service agreement to complete a period of employment with
 15 the agency, not to exceed 4 years. The Office may, by regula-
 16 tion, prescribe a minimum service.

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

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

19 “(ii) the amount of the bonus;

20 “(iii) the method of payment; and

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

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

1 “(i) the conditions under which the agreement
2 may be terminated before the agreed-upon service pe-
3 riod has been completed; and

4 “(ii) the effect of the termination.

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

12 “(d)(1) Except as provided in subsection (e), a bonus
13 under this section shall not exceed 25 percent of the annual
14 rate of basic pay of the employee at the beginning of the
15 service period multiplied by the number of years (or frac-
16 tions thereof) in the service period, not to exceed 4 years.

17 “(2) A bonus under this section may be paid as an
18 initial lump sum, in installments, as a final lump sum
19 upon the completion of the full service period, or in a com-
20 bination of these forms of payment.

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

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

1 “(e) *The Office may authorize the head of an agency*
 2 *to waive the limitation under subsection (d)(1) based on*
 3 *a critical agency need, subject to regulations prescribed by*
 4 *the Office. Under such a waiver, the amount of the bonus*
 5 *may be up to 50 percent of the employee’s annual rate of*
 6 *basic pay at the beginning of the service period multiplied*
 7 *by the number of years (or fractions thereof) in the service*
 8 *period, not to exceed 100 percent of the employee’s annual*
 9 *rate of basic pay at the beginning of the service period.*

10 “(f) *The Office shall require that, before paying a*
 11 *bonus under this section, an agency shall establish a plan*
 12 *for paying recruitment bonuses and a plan for paying relo-*
 13 *cation bonuses, subject to regulations prescribed by the Of-*
 14 *fice.*

15 “(g) *The Office may prescribe regulations to carry out*
 16 *this section, including regulations relating to the repayment*
 17 *of a recruitment or relocation bonus in appropriate cir-*
 18 *cumstances when the agreed-upon service period has not*
 19 *been completed.*

20 “(h)(1) *At the request of the head of an Executive agen-*
 21 *cy, the Office may extend coverage under this section to cat-*
 22 *egories of employees within the agency who otherwise would*
 23 *not be covered by this section.*

24 “(2) *A bonus may not be paid under this section to*
 25 *an individual who is appointed to, or who holds—*

1 “(A) a position to which an individual is ap-
2 pointed by the President, by and with the advice and
3 consent of the Senate;

4 “(B) a position in the Senior Executive Service
5 as a noncareer appointee (as such term is defined
6 under section 3132(a)); or

7 “(C) a position which has been excepted from the
8 competitive service by reason of its confidential, pol-
9 icy-determining, policy-making, or policy-advocating
10 character.

11 “(i)(1) The Office of Personnel Management shall sub-
12 mit an annual report on bonuses paid under this section
13 to the Committee on Governmental Affairs of the Senate
14 and the Committee on Government Reform of the House of
15 Representatives.

16 “(2) Each report submitted under this subsection shall
17 include the use by each agency of recruitment and reloca-
18 tion bonuses, including, with respect to each agency and
19 each type of bonus, the number and amount of bonuses by
20 grade (including the General Schedule, the Senior Executive
21 Service, and positions on the Executive Schedule).

22 “(j)(1) An individual may not be paid a recruitment
23 bonus under this section and a recruitment bonus under
24 section 5753.

1 “(2) *An individual may not be paid a relocation bonus*
 2 *under this section and a relocation bonus under section*
 3 *5753.*

4 **“§ 5754b. Retention bonuses**

5 “(a) *In this section, the term ‘employee’ has the mean-*
 6 *ing given that term under section 2105, except that such*
 7 *term also includes an employee described in subsection (c)*
 8 *of that section.*

9 “(b) *The Office of Personnel Management may author-*
 10 *ize the head of an agency to pay a retention bonus to an*
 11 *employee, subject to regulations prescribed by the Office,*
 12 *if—*

13 “(1) *the unusually high or unique qualifications*
 14 *of the employee or a special need of the agency for the*
 15 *employee’s services makes it essential to retain the*
 16 *employee; and*

17 “(2) *the agency determines that, in the absence*
 18 *of a retention bonus, the employee would be likely to*
 19 *leave—*

20 “(A) *the Federal service; or*

21 “(B) *for a different position in the Federal*
 22 *service under conditions described in regulations*
 23 *of the Office.*

24 “(c) *The Office may authorize the head of an agency*
 25 *to pay retention bonuses to a group of employees in 1 or*

1 *more categories of positions in 1 or more geographic areas,*
 2 *subject to the requirements of subsection (b)(1) and regula-*
 3 *tions prescribed by the Office, if there is a high risk that*
 4 *a significant portion of employees in the group would be*
 5 *likely to leave in the absence of retention bonuses.*

6 “(d) *Except as provided in subsection (j), a bonus may*
 7 *be paid only to an employee covered by the General Sched-*
 8 *ule pay system established under subchapter III of chapter*
 9 *53.*

10 “(e)(1) *Payment of a retention bonus is contingent*
 11 *upon the employee entering into a written service agreement*
 12 *with the agency to complete a period of employment with*
 13 *the agency.*

14 “(2)(A) *The agreement shall include—*

15 “(i) *the length of the required service period;*

16 “(ii) *the amount of the bonus;*

17 “(iii) *the method of payment; and*

18 “(iv) *other terms and conditions under which the*
 19 *bonus is payable, subject to subsections (f) and (g)*
 20 *and regulations of the Office.*

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

23 “(i) *the conditions under which the agreement*
 24 *may be terminated before the agreed-upon service pe-*
 25 *riod has been completed; and*

1 “(ii) the effect of the termination.

2 “(3)(A) Notwithstanding paragraph (1), a written
3 service agreement is not required if the agency pays a reten-
4 tion bonus in biweekly installments and sets the installment
5 payment at the full bonus percentage rate established for
6 the employee with no portion of the bonus deferred.

7 “(B) If an agency pays a retention bonus in accord-
8 ance with subparagraph (A) and makes a determination
9 to terminate the payments, the agency shall provide written
10 notice to the employee of that determination. Except as pro-
11 vided in regulations of the Office, the employee shall con-
12 tinue to be paid the retention bonus through the end of the
13 pay period in which such written notice is provided.

14 “(4) A retention bonus for an employee may not be
15 based on any period of such service which is the basis for
16 a recruitment or relocation bonus under section 5753 or
17 5754a.

18 “(f)(1) Except as provided in subsection (g), a reten-
19 tion bonus, which shall be stated as a percentage of the em-
20 ployee’s basic pay for the service period associated with the
21 bonus, may not exceed—

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

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

1 “(2) *A retention bonus may be paid to an employee*
2 *in installments after completion of specified periods of serv-*
3 *ice or in a single lump sum at the end of the full period*
4 *of service required by the agreement. An installment pay-*
5 *ment may not exceed the product derived from multiplying*
6 *the amount of basic pay earned in the installment period*
7 *by a percentage not to exceed the bonus percentage rate es-*
8 *tablished for the employee. If the installment payment per-*
9 *centage is less than the bonus percentage rate, the accrued*
10 *but unpaid portion of the bonus is payable as part of the*
11 *final installment payment to the employee after completion*
12 *of the full service period under the terms of the service agree-*
13 *ment.*

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

16 “(g) *Upon the request of the head of an agency, the*
17 *Office may waive the limit established under subsection*
18 *(f)(1) and permit the agency head to pay an otherwise eligi-*
19 *ble employee or category of employees retention bonuses of*
20 *up to 50 percent of basic pay, based on a critical agency*
21 *need.*

22 “(h) *The Office shall require that, before paying a*
23 *bonus under this section, an agency shall establish a plan*
24 *for paying retention bonuses, subject to regulations pre-*
25 *scribed by the Office.*

1 “(i) *The Office may prescribe regulations to carry out*
 2 *this section.*

3 “(j)(1) *At the request of the head of an Executive agen-*
 4 *cy, the Office may extend coverage under this section to cat-*
 5 *egories of employees within the agency who otherwise would*
 6 *not be covered by this section.*

7 “(2) *A bonus may not be paid under this section to*
 8 *an employee who holds—*

9 “(A) *a position to which an individual is ap-*
 10 *pointed by the President, by and with the advice and*
 11 *consent of the Senate;*

12 “(B) *a position in the Senior Executive Service*
 13 *as a noncareer appointee (as such term is defined*
 14 *under section 3132(a)); or*

15 “(C) *a position which has been excepted from the*
 16 *competitive service by reason of its confidential, pol-*
 17 *icy-determining, policy-making, or policy-advocating*
 18 *character.*

19 “(k)(1) *The Office of Personnel Management shall sub-*
 20 *mit an annual report on bonuses paid under this section*
 21 *to the Committee on Governmental Affairs of the Senate*
 22 *and the Committee on Government Reform of the House of*
 23 *Representatives.*

24 “(2) *Each report submitted under this subsection shall*
 25 *include the use by each agency of retention bonuses, includ-*

1 *ing, with respect to each agency, the number and amount*
 2 *of bonuses by grade (including the General Schedule, the*
 3 *Senior Executive Service, and positions on the Executive*
 4 *Schedule).*

5 “(l) *An employee may not be paid a retention bonus*
 6 *under this section and a retention allowance under section*
 7 *5754.*”.

8 (2) *TECHNICAL AND CONFORMING AMEND-*
 9 *MENT.—The table of sections for chapter 57 of title 5,*
 10 *United States Code, is amended by inserting after the*
 11 *item relating to section 5754 the following:*

“5754a. Recruitment and relocation bonuses.

“5754b. Retention bonuses.”.

12 (b) *EFFECTIVE DATE AND APPLICATION.—This section*
 13 *shall take effect on the first day of the first applicable pay*
 14 *period beginning on or after 180 days after the date of en-*
 15 *actment of this Act.*

16 **SEC. 102. STREAMLINED CRITICAL PAY AUTHORITY.**

17 *Section 5377 of title 5, United States Code, is amend-*
 18 *ed—*

19 (1) *by striking subsection (c) and inserting the*
 20 *following:*

21 “(c) *The Office of Personnel Management, in consulta-*
 22 *tion with the Office of Management and Budget, may, upon*
 23 *the request of the head of an agency, grant authority to fix*

1 *the rate of basic pay for 1 or more positions in such agency*
 2 *in accordance with this section.”;*

3 *(2) in subsection (e)(1), by striking “Office of*
 4 *Management and Budget” and inserting “Office of*
 5 *Personnel Management”;*

6 *(3) by striking subsections (f) and (g) and in-*
 7 *serting the following:*

8 *“(f) The Office of Personnel Management may not au-*
 9 *thorize the exercise of authority under this section with re-*
 10 *spect to more than 800 positions at any 1 time, of which*
 11 *not more than 30 may, at any such time, be positions the*
 12 *rate of basic pay for which would otherwise be determined*
 13 *under subchapter II.*

14 *“(g) The Office of Personnel Management shall consult*
 15 *with the Office of Management and Budget before making*
 16 *any decision to grant or terminate any authority under this*
 17 *section.”; and*

18 *(4) in subsection (h), by striking “The Office of*
 19 *Management and Budget shall report to the Com-*
 20 *mittee on Post Office and Civil Service” and insert-*
 21 *ing “The Office of Personnel Management shall report*
 22 *to the Committee on Government Reform.”.*

1 **SEC. 103. CIVIL SERVICE RETIREMENT SYSTEM COMPUTA-**
 2 **TION FOR PART-TIME SERVICE.**

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

5 “(3) *In the administration of paragraph (1)—*

6 “(A) *subparagraph (A) of such paragraph*
 7 *shall apply to any service performed before, on,*
 8 *or after April 7, 1986;*

9 “(B) *subparagraph (B) of such paragraph*
 10 *shall apply to all service performed on a part-*
 11 *time or full-time basis on or after April 7, 1986;*
 12 *and*

13 “(C) *any service performed on a part-time*
 14 *basis before April 7, 1986, shall be credited as*
 15 *service performed on a full-time basis.”.*

16 **SEC. 104. RETIREMENT SERVICE CREDIT FOR CADET OR**
 17 **MIDSHIPMAN SERVICE.**

18 (a) *CIVIL SERVICE RETIREMENT SYSTEM.—Section*
 19 *8331(13) of title 5, United States Code, is amended by strik-*
 20 *ing “but” and inserting “and includes service as a cadet*
 21 *at the United States Military Academy, the United States*
 22 *Air Force Academy, or the United States Coast Guard*
 23 *Academy, or as a midshipman at the United States Naval*
 24 *Academy, but”.*

25 (b) *FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—*
 26 *Section 8401(31) of title 5, United States Code, is amended*

1 *by striking “but” and inserting “and includes service as*
 2 *a cadet at the United States Military Academy, the United*
 3 *States Air Force Academy, or the United States Coast*
 4 *Guard Academy, or as a midshipman at the United States*
 5 *Naval Academy, but”.*

6 (c) *EFFECTIVE DATE AND APPLICATION.*—*The amend-*
 7 *ments made by this section shall apply to—*

8 (1) *any annuity, eligibility for which is based*
 9 *upon a separation occurring before, on, or after the*
 10 *date of enactment of this Act; and*

11 (2) *any period of service as a cadet or mid-*
 12 *shipman at the military service academy of the*
 13 *Army, Air Force, Coast Guard, or Navy, occurring*
 14 *before, on, or after the date of enactment of this Act.*

15 **SEC. 105. SENIOR EXECUTIVE SERVICE AUTHORITY FOR**
 16 **WHITE HOUSE OFFICE OF ADMINISTRATION.**

17 *Chapter 2 of title 3, United States Code, is amended—*

18 (1) *in section 107(b)—*

19 (A) *in paragraph (2), by striking “section*
 20 *3101” and inserting “sections 3101 and 3132”;*
 21 *and*

22 (B) *by adding at the end the following:*

23 “(3) *Any permanent Senior Executive Service*
 24 *position established under paragraph (2) shall be a*
 25 *career reserved position.*”;

1 (2) in section 114—

2 (A) by redesignating that section as sub-
3 section (a);

4 (B) by amending that subsection, as so re-
5 designated, by striking “minimum rate of basic
6 pay then currently paid for GS–16” and insert-
7 ing “maximum rate of basic pay then currently
8 paid for GS–15”; and

9 (C) by adding at the end the following:

10 “(b) The limitation established in subsection (a) shall
11 not apply to an individual appointed under the authority
12 in section 107(b)(2), in accordance with section 3132 of title
13 5.”.

14 **TITLE II—REFORMS RELATING**
15 **TO FEDERAL EMPLOYEE CA-**
16 **REER DEVELOPMENT AND**
17 **BENEFITS**

18 **SEC. 201. AGENCY TRAINING.**

19 (a) *TRAINING TO ACCOMPLISH PERFORMANCE PLANS*
20 *AND STRATEGIC GOALS.*—Section 4103 of title 5, United
21 States Code, is amended by adding at the end the following:

22 “(c) The head of each agency shall—

23 “(1) evaluate each program or plan established,
24 operated, or maintained under subsection (a) with re-

1 *spect to accomplishing specific performance plans and*
 2 *strategic goals in performing the agency mission; and*
 3 “(2) *modify such program or plan to accomplish*
 4 *such plans and goals.*”.

5 ***(b) AGENCY TRAINING OFFICER; SPECIFIC TRAINING***
 6 ***PROGRAMS.—***

7 ***(1) IN GENERAL.—****Chapter 41 of title 5, United*
 8 *States Code, is amended by adding after section 4119*
 9 *the following:*

10 **“§ 4120. Agency training officer**

11 *“Each agency shall appoint or designate a training*
 12 *officer who shall be responsible for developing, coordinating,*
 13 *and administering training for the agency.*

14 **“§ 4121. Specific training programs**

15 *“In consultation with the Office of Personnel Manage-*
 16 *ment, each head of an agency shall establish—*

17 “(1) *a comprehensive management succession*
 18 *program to provide training to employees to develop*
 19 *managers for the agency; and*

20 “(2) *a program to provide training to managers*
 21 *on actions, options, and strategies a manager may*
 22 *use in—*

23 “(A) *relating to employees with unaccept-*
 24 *able performances; and*

1 “(B) mentoring employees and improving
2 employee performance and productivity.”.

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

“4120. Agency training officer.

“4121. Specific training programs.”.

7 **SEC. 202. ANNUAL LEAVE ENHANCEMENTS.**

8 (a) *ACCRUAL OF LEAVE FOR NEWLY HIRED FEDERAL*
9 *EMPLOYEES WITH QUALIFIED EXPERIENCE.—*

10 (1) *IN GENERAL.—Section 6303 of title 5,*
11 *United States Code, is amended by adding at the end*
12 *the following:*

13 “(e)(1) *In this subsection, the term ‘period of qualified*
14 *non-Federal career experience’ means any equal period of*
15 *service performed by an individual that—*

16 “(A) *except for this subsection would not other-*
17 *wise be service performed by an employee for purposes*
18 *of subsection (a); and*

19 “(B) *was performed in a position—*

20 “(i) *the duties of which were directly related*
21 *to the duties of the position in an agency that*
22 *such individual holds; and*

1 “(ii) which meets such other conditions as
 2 the Office of Personnel Management shall pre-
 3 scribe by regulation.

4 “(2) For purposes of subsection (a), the head of an
 5 agency may deem a period of qualified non-Federal career
 6 experience performed by an individual to be a period of
 7 service performed as an employee.”.

8 (2) *EFFECTIVE DATE.*—This section shall take ef-
 9 fect 120 days after the date of enactment of this Act
 10 and shall only apply to an individual hired on or
 11 after that effective date.

12 (b) *SENIOR EXECUTIVE SERVICE ANNUAL LEAVE EN-*
 13 *HANCEMENTS.*—

14 (1) *IN GENERAL.*—Section 6303(a) of title 5,
 15 United States Code, is amended—

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

18 (B) in paragraph (3), by striking the period
 19 at the end and inserting “; and”; and

20 (C) by adding after paragraph (3) the fol-
 21 lowing:

22 “(4) one day for each full biweekly pay period
 23 for an employee in a position paid under section
 24 5376 or 5383, or for an employee in an equivalent

1 category for which the minimum rate of basic pay is
2 greater than the rate payable at GS–15, step 10.”.

3 (2) *REGULATIONS.*—Not later than 120 days
4 after the date of enactment of this Act, the Office of
5 Personnel Management shall prescribe regulations to
6 carry out the amendments made by this subsection.

7 (3) *EFFECTIVE DATES.*—

8 (A) *IN GENERAL.*—Paragraph (1) shall take
9 effect 120 days after the date of enactment of this
10 Act.

11 (B) *REGULATIONS.*—Paragraph (2) shall
12 take effect on the date of enactment of this Act.

13 **SEC. 203. COMPENSATORY TIME OFF FOR TRAVEL.**

14 (a) *IN GENERAL.*—Subchapter V of chapter 55 of title
15 5, United States Code, is amended by adding at end the
16 following:

17 **“§ 5550b. Compensatory time off for travel**

18 “(a) Notwithstanding section 5542(b)(2), each hour
19 spent by an employee in travel status away from the official
20 duty station of the employee, that is not otherwise compen-
21 sable, shall be treated as an hour of work or employment
22 for purposes of calculating compensatory time off.

23 “(b) An employee who has any hours treated as hours
24 of work or employment for purposes of calculating compen-
25 satory time under subsection (a), shall not be entitled to

1 *payment for any such hours that are unused as compen-*
2 *satory time.*

3 “(c) *Not later than 30 days after the date of enactment*
4 *of this section, the Office of Personnel Management shall*
5 *prescribe regulations to implement this section.*”.

6 (b) *TECHNICAL AND CONFORMING AMENDMENT.—The*
7 *table of sections for chapter 55 of title 5, United States*
8 *Code, is amended by inserting after the item relating to*
9 *section 5550a the following:*

“5550b. Compensatory time off for travel.”.

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108TH CONGRESS
2D SESSION

S. 129

[Report No. 108-223]

A BILL

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

JANUARY 27, 2004

Reported with an amendment