To amend title 38, United States Code, to provide for the removal or demotion of employees of the Department of Veterans Affairs based on performance or misconduct, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 23, 2015

Mr. MILLER of Florida (for himself, Mr. COSTELLO of Pennsylvania, Mr. HUELSKAMP, Mr. ABRAHAM, Mr. BENISHEK, and Mr. MURPHY of Pennsylvania) introduced the following bill; which was referred to the Committee on Veterans’ Affairs, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

JULY 23, 2015

Additional sponsors: Mr. BABIN, Mr. LATTA, Mr. ROUZER, Mrs. RADEWAGEN, Ms. SINEMA, Mr. PARENTHOOLD, Mr. BILIRAKIS, Mr. WESTMORELAND, Mr. STEWART, Mr. JONES, Mr. ROTHFUS, Mr. CARTER of Georgia, Mr. HENSARLING, Mr. SMITH of Texas, Mr. JOYCE, Mr. DENT, Mr. PETERS, Mr. TOM PRICE of Georgia, Mr. KLINE, Mr. BOUSTANY, Mr. CRAMER, Ms. MCSALLY, Mrs. McMorris Rodgers, Mr. EMMER of Minnesota, Mr. LAMBORN, Mr. BISHOP of Michigan, Mr. BUCHANAN, Mr. ZELDIN, Mr. DeSANTIS, Mr. HILL, Mr. YOHO, Mr. SENSENBRERNE, Mr. GIBBS, Mr. THORNBERY, Mr. SALMON, Mr. McCaul, Mr. JODY B. HICE of Georgia, Mr. PEARCE, Mr. LaMalfa, Mr. KNIGHT, Mr. SIMPSON, Mr. AMODEI, Mrs. ROBY, Mr. COFFMAN, Mr. MESSER, Mr. HUNTER, Mr. LOUDERMILK, Mr. GRAVES of Georgia, Mr. JOHNSON of Ohio, Mr. CARTER of Texas, Mr. WEBER of Texas, Mr. CULBERSON, Mr. WILLIAMS, Mrs. WALORSKI, Mr. HURD of Texas, Mr. GOSAR, Mr. WITTMAN, Mr. CURBelo of Florida, Mr. ZINKE, Mr. TPTON, Mr. PERRY, Mr. OLSON, Mr. ROONEY of Florida, Mr. GUINTA, Mr. PITTENGER, Mr. HUDSON, Mr. GOODLATTE, Mr. MICA, Mr. BARR, Mr. GARRETT, Mr. WALBERG, Mrs. LUMMIS, Mr. WEBSTER of Florida, Mr. BOST, Mr. RIGELL, Mrs.
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ELLMERS of North Carolina, Mr. Gibson, Mr. Marino, Mr. Brat, Ms. Herrera Beutler, Mrs. Mimi Walters of California, Mr. Newhouse, Mrs. Love, Mr. Palazzo, Mr. Frelinghuysen, Mr. Flores, Ms. Granger, Mr. Poe of Texas, Mr. Cook, Mr. Allen, Mr. Young of Iowa, Mr. Katko, and Mr. Thompson of Pennsylvania

July 23, 2015

Deleted sponsor: Mrs. Lawrence (added May 12, 2015; deleted June 2, 2015)

July 23, 2015

Reported from the Committee on Veterans' Affairs with an amendment

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

July 23, 2015

The Committee on Oversight and Government Reform discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on April 23, 2015]

A BILL

To amend title 38, United States Code, to provide for the removal or demotion of employees of the Department of Veterans Affairs based on performance or misconduct, and for other purposes.
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “VA Accountability Act of 2015”.

SEC. 2. REMOVAL OR DEMOTION OF EMPLOYEES BASED ON PERFORMANCE OR MISCONDUCT.

(a) IN GENERAL.—Chapter 7 of title 38, United States Code, is amended by adding at the end the following new section:

“§ 715. Employees: removal or demotion based on performance or misconduct

“(a) IN GENERAL.—The Secretary may remove or demote an individual who is an employee of the Department if the Secretary determines the performance or misconduct of the individual warrants such removal or demotion. If the Secretary so removes or demotes such an individual, the Secretary may—

“(1) remove the individual from the civil service (as defined in section 2101 of title 5); or

“(2) demote the individual by means of—

“(A) a reduction in grade for which the individual is qualified and that the Secretary determines is appropriate; or

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“(B) a reduction in annual rate of pay that the Secretary determines is appropriate.

“(b) PAY OF CERTAIN DEMOTED INDIVIDUALS.—(1) Notwithstanding any other provision of law, any individual subject to a demotion under subsection (a)(2)(A) shall, beginning on the date of such demotion, receive the annual rate of pay applicable to such grade.

“(2) An individual so demoted may not be placed on administrative leave or any other category of paid leave during the period during which an appeal (if any) under this section is ongoing, and may only receive pay if the individual reports for duty. If an individual so demoted does not report for duty, such individual shall not receive pay or other benefits pursuant to subsection (e)(5).

“(c) NOTICE TO CONGRESS.—Not later than 30 days after removing or demoting an individual under subsection (a), the Secretary shall submit to the Committees on Veterans’ Affairs of the Senate and House of Representatives notice in writing of such removal or demotion and the reason for such removal or demotion.

“(d) PROCEDURE.—(1) The procedures under section 7513(b) of title 5 and chapter 43 of such title shall not apply to a removal or demotion under this section.

“(2)(A) Subject to subparagraph (B) and subsection (e), any removal or demotion under subsection (a) may be
appealed to the Merit Systems Protection Board under section 7701 of title 5.

“(B) An appeal under subparagraph (A) of a removal or demotion may only be made if such appeal is made not later than seven days after the date of such removal or demotion.

“(e) EXPIRTED REVIEW BY ADMINISTRATIVE JUDGE.—(1) Upon receipt of an appeal under subsection (d)(2)(A), the Merit Systems Protection Board shall refer such appeal to an administrative judge pursuant to section 7701(b)(1) of title 5. The administrative judge shall expeditiate any such appeal under such section and, in any such case, shall issue a decision not later than 45 days after the date of the appeal.

“(2) Notwithstanding any other provision of law, including section 7703 of title 5, the decision of an administrative judge under paragraph (1) shall be final and shall not be subject to any further appeal.

“(3) In any case in which the administrative judge cannot issue a decision in accordance with the 45-day requirement under paragraph (1), the removal or demotion is final. In such a case, the Merit Systems Protection Board shall, within 14 days after the date that such removal or demotion is final, submit to Congress and the Committees on Veterans’ Affairs of the Senate and House of Representa-
atives a report that explains the reasons why a decision was not issued in accordance with such requirement.

“(4) The Merit Systems Protection Board or administrative judge may not stay any removal or demotion under this section.

“(5) During the period beginning on the date on which an individual appeals a removal from the civil service under subsection (d) and ending on the date that the administrative judge issues a final decision on such appeal, such individual may not receive any pay, awards, bonuses, incentives, allowances, differentials, student loan repayments, special payments, or benefits.

“(6) To the maximum extent practicable, the Secretary shall provide to the Merit Systems Protection Board, and to any administrative judge to whom an appeal under this section is referred, such information and assistance as may be necessary to ensure an appeal under this subsection is expedited.

“(f) WHISTLEBLOWER PROTECTION.—(1) In the case of an individual seeking corrective action (or on behalf of whom corrective action is sought) from the Office of Special Counsel based on an alleged prohibited personnel practice described in section 2302(b) of title 5, the Secretary may not remove or demote such individual under subsection (a)
without the approval of the Special Counsel under section 1214(f) of title 5.

“(2) In the case of an individual who has filed a whistleblower complaint, as such term is defined in section 731 of this title, the Secretary may not remove or demote such individual under subsection (a) until the central whistleblower office under section 732(h) of this title has made a final decision with respect to the whistleblower complaint.

“(g) TERMINATION OF INVESTIGATIONS BY OFFICE OF SPECIAL COUNSEL.—Notwithstanding any other provision of law, the Special Counsel (established by section 1211 of title 5) may terminate an investigation of a prohibited personnel practice alleged by an employee or former employee of the Department after the Special Counsel provides to the employee or former employee a written statement of the reasons for the termination of the investigation. Such statement may not be admissible as evidence in any judicial or administrative proceeding without the consent of such employee or former employee.

“(h) RELATION TO TITLE 5.—The authority provided by this section is in addition to the authority provided by subchapter V of chapter 75 of title 5 and chapter 43 of such title.

“(i) DEFINITIONS.—In this section:
“(1) The term ‘individual’ means an individual occupying a position at the Department but does not include—

“(A) an individual, as that term is defined in section 713(g)(1); or

“(B) a political appointee.

“(2) The term ‘grade’ has the meaning given such term in section 7511(a) of title 5.

“(3) The term ‘misconduct’ includes neglect of duty, malfeasance, or failure to accept a directed re-assignment or to accompany a position in a transfer of function.

“(4) The term ‘political appointee’ means an individual who is—

“(A) employed in a position described under sections 5312 through 5316 of title 5 (relating to the Executive Schedule);

“(B) a limited term appointee, limited emergency appointee, or noncareer appointee in the Senior Executive Service, as defined under paragraphs (5), (6), and (7), respectively, of section 3132(a) of title 5; or

“(C) employed in a position of a confidential or policy-determining character under sched-
ule C of subpart C of part 213 of title 5 of the Code of Federal Regulations.”.

(b) CLERICAL AND CONFORMING AMENDMENTS.—

(1) CLERICAL.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“715. Employees: removal or demotion based on performance or misconduct.”.

(2) CONFORMING.—Section 4303(f) of title 5, United States Code, is amended—

(A) by striking “or” at the end of paragraph (2);

(B) by striking the period at the end of paragraph (3) and inserting “; or”;

(C) by adding at the end the following:

“(4) any removal or demotion under section 715 of title 38.”.

SEC. 3. REQUIRED PROBATIONARY PERIOD FOR NEW EMPLOYEES OF DEPARTMENT OF VETERANS AFFAIRS.

(a) PROBATIONARY PERIOD.—

(1) IN GENERAL.—Chapter 7 of title 38, United States Code, as amended by section 2, is further amended by adding at the end the following new section:

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§ 717. Probationary period for employees

(a) In general.—Notwithstanding sections 3321 and 3393(d) of title 5, the appointment of a covered employee shall become final only after such employee has served a probationary period of 18 months. The Secretary may extend a probationary period under this subsection at the discretion of the Secretary.

(b) Covered employee.—In this section, the term ‘covered employee’—

(1) means any individual—

(A) appointed to a permanent position within the competitive service at the Department; or

(B) appointed as a career appointee (as that term is defined in section 3132(a)(4) of title 5) within the Senior Executive Service at the Department; and

(2) does not include any individual with a probationary period prescribed by section 7403 of this title.

(c) Permanent hires.—Upon the expiration of a covered employee’s probationary period under subsection (a), the supervisor of the employee shall determine whether the appointment becomes final based on regulations prescribed for such purpose by the Secretary.”.

(2) Clerical and conforming amendments.—
(A) CLERICAL.—The table of sections at the beginning of such chapter, as amended by section 2, is further amended by adding at the end the following new item:

"717. Probationary period for employees."

(B) CONFORMING.—Title 5, United States Code, is amended—

(i) in section 3321(c)—

(I) by striking “Service or” and inserting “Service,”; and

(II) by inserting at the end before the period the following: “, or any individual covered by section 717 of title 38”; and

(ii) in section 3393(d), by adding at the end after the period the following: “The preceding sentence shall not apply to any individual covered by section 717 of title 38.”.

(b) APPLICATION.—Section 717 of title 38, United States Code, as added by subsection (a)(1), shall apply to any covered employee (as that term is defined in subsection (b) of such section 717, as so added) appointed after the date of the enactment of this Act.
SEC. 4. TREATMENT OF WHISTLEBLOWER COMPLAINTS IN DEPARTMENT OF VETERANS AFFAIRS.

(a) IN GENERAL.—Chapter 7 of title 38, United States Code, is further amended by adding at the end the following new subchapter:

“SUBCHAPTER II—WHISTLEBLOWER COMPLAINTS

§ 731. Whistleblower complaint defined

“In this subchapter, the term ‘whistleblower complaint’ means a complaint by an employee of the Department disclosing, or assisting another employee to disclose, a potential violation of any law, rule, or regulation, or gross mismanagement, gross waste of funds, abuse of authority, or substantial and specific danger to public health and safety.

§ 732. Treatment of whistleblower complaints

“(a) FILING.—(1) In addition to any other method established by law in which an employee may file a whistleblower complaint, an employee of the Department may file a whistleblower complaint in accordance with subsection (g) with a supervisor of the employee.

“(2) Except as provided by subsection (d)(1), in making a whistleblower complaint under paragraph (1), an employee shall file the initial complaint with the immediate supervisor of the employee.

“(b) NOTIFICATION.—(1) Not later than four business days after the date on which a supervisor receives a whistle-
blower complaint by an employee under this section, the
supervisor shall notify, in writing, the employee of whether
the supervisor determines that there is a reasonable likeli-
hood that the complaint discloses a violation of any law,
rule, or regulation, or gross mismanagement, gross waste
of funds, abuse of authority, or substantial and specific
danger to public health and safety. The supervisor shall re-
tain written documentation regarding the whistleblower
complaint and shall submit to the next-level supervisor and
the central whistleblower office described in subsection (h)
a written report on the complaint.

“(2) On a monthly basis, the supervisor shall submit
to the appropriate director or other official who is superior
to the supervisor a written report that includes the number
of whistleblower complaints received by the supervisor
under this section during the month covered by the report,
the disposition of such complaints, and any actions taken
because of such complaints pursuant to subsection (c). In
the case in which such a director or official carries out this
paragraph, the director or official shall submit such month-
ly report to the supervisor of the director or official and
to the central whistleblower office described in subsection
(h).

“(c) POSITIVE DETERMINATION.—If a supervisor
makes a positive determination under subsection (b)(1) re-
regarding a whistleblower complaint of an employee, the supervisor shall include in the notification to the employee under such subsection the specific actions that the supervisor will take to address the complaint.

“(d) FILING COMPLAINT WITH NEXT-LEVEL SUPERVISORS.—(1) If any circumstance described in paragraph (3) is met, an employee may file a whistleblower complaint in accordance with subsection (g) with the next-level supervisor who shall treat such complaint in accordance with this section.

“(2) An employee may file a whistleblower complaint with the Secretary if the employee has filed the whistleblower complaint to each level of supervisors between the employee and the Secretary in accordance with paragraph (1).

“(3) A circumstance described in this paragraph are any of the following circumstances:

“(A) A supervisor does not make a timely determination under subsection (b)(1) regarding a whistleblower complaint.

“(B) The employee who made a whistleblower complaint determines that the supervisor did not adequately address the complaint pursuant to subsection (c).
“(C) The immediate supervisor of the employee is the basis of the whistleblower complaint.

“(e) Transfer of Employee Who Files Whistleblower Complaint.—If a supervisor makes a positive determination under subsection (b)(1) regarding a whistleblower complaint filed by an employee, the Secretary shall—

“(1) inform the employee of the ability to volunteer for a transfer in accordance with section 3352 of title 5; and

“(2) give preference to the employee for such a transfer in accordance with such section.

“(f) Prohibition on Exemption.—The Secretary may not exempt any employee of the Department from being covered by this section.

“(g) Whistleblower Complaint Form.—(1) A whistleblower complaint filed by an employee under subsection (a) or (d) shall consist of the form described in paragraph (2) and any supporting materials or documentation the employee determines necessary.

“(2) The form described in this paragraph is a form developed by the Secretary, in consultation with the Special Counsel, that includes the following:

“(A) An explanation of the purpose of the whistleblower complaint form.
“(B) Instructions for filing a whistleblower complaint as described in this section.

“(C) An explanation that filing a whistleblower complaint under this section does not preclude the employee from any other method established by law in which an employee may file a whistleblower complaint.

“(D) A statement directing the employee to information accessible on the Internet website of the Department as described in section 735(c).

“(E) Fields for the employee to provide—

“(i) the date that the form is submitted;

“(ii) the name of the employee;

“(iii) the contact information of the employee;

“(iv) a summary of the whistleblower complaint (including the option to append supporting documents pursuant to paragraph (1)); and

“(v) proposed solutions to complaint.

“(F) Any other information or fields that the Secretary determines appropriate.

“(3) The Secretary, in consultation with the Special Counsel, shall develop the form described in paragraph (2)
by not later than 60 days after the date of the enactment of this section.

“(h) CENTRAL WHISTLEBLOWER OFFICE.—(1) The Secretary shall ensure that the central whistleblower office—

“(A) is not an element of the Office of the General Counsel;

“(B) is not headed by an official who reports to the General Counsel;

“(C) does not provide, or receive from, the General Counsel any information regarding a whistleblower complaint except pursuant to an action regarding the complaint before an administrative body or court; and

“(D) does not provide advice to the General Counsel.

“(2) The central whistleblower office shall be responsible for investigating all whistleblower complaints of the Department, regardless of whether such complaints are made by or against an employee who is not a member of the Senior Executive Service.

“(3) The Secretary shall ensure that the central whistleblower office maintains a toll-free hotline to anonymously receive whistleblower complaints.
“(4) In this subsection, the term ‘central whistleblower office’ means the Office of Accountability Review or a successor office that is established or designated by the Secretary to investigate whistleblower complaints filed under this section or any other method established by law.

§ 733. Adverse actions against supervisory employees who commit prohibited personnel actions relating to whistleblower complaints

“(a) In general.—(1) In accordance with paragraph (2), the Secretary shall carry out the following adverse actions against supervisory employees whom the Secretary, an administrative judge, the Merit Systems Protection Board, the Office of Special Counsel, an adjudicating body provided under a union contract, a Federal judge, or the Inspector General of the Department determines committed a prohibited personnel action described in subsection (c):

“(A) With respect to the first offense, an adverse action that is not less than a 14-day suspension and not more than removal.

“(B) With respect to the second offense, removal.

“(2)(A) Except as provided by subparagraph (B), and notwithstanding subsections (b) and (c) of section 7513 and section 7543 of title 5, the provisions of subsections (d) and (e) of section 713 of this title shall apply with respect to an adverse action carried out under paragraph (1).
“(B) An employee who is notified of being the subject of a proposed adverse action under paragraph (1) may not be given more than five days following such notification to provide evidence to dispute such proposed adverse action. If the employee does not provide any such evidence, or if the Secretary determines that such evidence is not sufficient to reverse the determination to propose the adverse action, the Secretary shall carry out the adverse action following such five-day period.

“(b) Limitation on Other Adverse Actions.—With respect to a prohibited personnel action described in subsection (c), if the Secretary carries out an adverse action against a supervisory employee, the Secretary may carry out an additional adverse action under this section based on the same prohibited personnel action if the total severity of the adverse actions do not exceed the level specified in subsection (a).

“(c) Prohibited Personnel Action Described.—A prohibited personnel action described in this subsection is any of the following actions:

“(1) Taking or failing to take a personnel action in violation of section 2302 of title 5 against an employee relating to the employee—

“(A) filing a whistleblower complaint in accordance with section 732 of this title;
“(B) filing a whistleblower complaint with
the Inspector General of the Department, the
Special Counsel, or Congress;
“(C) providing information or partici-
pating as a witness in an investigation of a
whistleblower complaint in accordance with sec-
tion 732 or with the Inspector General of the De-
partment, the Special Counsel, or Congress;
“(D) participating in an audit or inves-
tigation by the Comptroller General of the
United States;
“(E) refusing to perform an action that is
unlawful or prohibited by the Department; or
“(F) engaging in communications that are
related to the duties of the position or are other-
wise protected.
“(2) Preventing or restricting an employee from
making an action described in any of subparagraphs
(A) through (F) of paragraph (1).
“(3) Conducting a peer review or opening a re-
taliatory investigation relating to an activity of an
employee that is protected by section 2302 of title 5.
“(4) Requesting a contractor to carry out an ac-
tion that is prohibited by section 4705(b) or section
4712(a)(1) of title 41, as the case may be.
“§ 734. Evaluation criteria of supervisors and treatment of bonuses

“(a) Evaluation Criteria.—(1) In evaluating the performance of supervisors of the Department, the Secretary shall include the criteria described in paragraph (2).

“(2) The criteria described in this subsection are the following:

“(A) Whether the supervisor treats whistleblower complaints in accordance with section 732.

“(B) Whether the appropriate deciding official, performance review board, or performance review committee determines that the supervisor was found to have committed a prohibited personnel action described in section 733(b) by an administrative judge, the Merit Systems Protection Board, the Office of Special Counsel, an adjudicating body provided under a union contract, a Federal judge, or, in the case of a settlement of a whistleblower complaint (regardless of whether any fault was assigned under such settlement), the Secretary.

“(b) Bonuses.—(1) The Secretary may not pay to a supervisor described in subsection (a)(2)(B) an award or bonus under this title or title 5, including under chapter 45 or 53 of such title, during the one-year period beginning on the date on which the determination was made under such subsection.
“(2) Notwithstanding any other provision of law, the Secretary shall issue an order directing a supervisor described in subsection (a)(2)(B) to repay the amount of any award or bonus paid under this title or title 5, including under chapter 45 or 53 of such title, if—

“(A) such award or bonus was paid for performance during a period in which the supervisor committed a prohibited personnel action as determined pursuant to such subsection (a)(2)(B);

“(B) the Secretary determines such repayment appropriate pursuant to regulations prescribed by the Secretary to carry out this section; and

“(C) the supervisor is afforded notice and an opportunity for a hearing before making such repayment.

“§ 735. Training regarding whistleblower complaints

“(a) TRAINING.—The Secretary, in coordination with the Whistleblower Protection Ombudsman designated under section 3(d)(1)(C) of the Inspector General Act of 1978 (5 U.S.C. App.), shall annually provide to each employee of the Department training regarding whistleblower complaints, including—

“(1) an explanation of each method established by law in which an employee may file a whistleblower complaint;
“(2) an explanation of prohibited personnel actions described by section 733(c) of this title;

“(3) with respect to supervisors, how to treat whistleblower complaints in accordance with section 732 of this title;

“(4) the right of the employee to petition Congress regarding a whistleblower complaint in accordance with section 7211 of title 5;

“(5) an explanation that the employee may not be prosecuted or reprised against for disclosing information to Congress in instances where such disclosure is permitted by law, including under sections 5701, 5705, and 7732 of this title, under section 552a of title 5 (commonly referred to as the Privacy Act), under chapter 93 of title 18, and pursuant to regulations promulgated under section 264(c) of the Health Insurance Portability and Accountability Act of 1996 (Public Law 104–191);

“(6) an explanation of the language that is required to be included in all nondisclosure policies, forms, and agreements pursuant to section 115(a)(1) of the Whistleblower Protection Enhancement Act of 2012 (5 U.S.C. 2302 note); and
“(7) the right of contractors to be protected from reprisal for the disclosure of certain information under section 4705 or 4712 of title 41.

“(b) Certification.—The Secretary shall annually provide training on merit system protection in a manner that the Special Counsel certifies as being satisfactory.

“(c) Publication.—(1) The Secretary shall publish on the Internet website of the Department, and display prominently at each facility of the Department, the rights of an employee to file a whistleblower complaint, including the information described in paragraphs (1) through (7) of subsection (a).

“(2) The Secretary shall publish on the Internet website of the Department, the whistleblower complaint form described in section 732(g)(2).

“§ 736. Reports to Congress

“(a) Annual Reports.—The Secretary shall annually submit to the Committees on Veterans’ Affairs of the House of Representatives and the Senate, the Committee on Oversight and Government Reform of the House of Representatives, and the Committee on Homeland Security and Governmental Affairs of the Senate a report that includes—

“(1) with respect to whistleblower complaints filed under section 732 during the year covered by the report—
“(A) the number of such complaints filed;

“(B) the disposition of such complaints; and

“(C) the ways in which the Secretary addressed such complaints in which a positive determination was made by a supervisor under subsection (b)(1) of such section;

“(2) the number of whistleblower complaints filed during the year covered by the report that are not included under paragraph (1), including—

“(A) the method in which such complaints were filed;

“(B) the disposition of such complaints; and

“(C) the ways in which the Secretary addressed such complaints; and

“(3) with respect to disclosures made by a contractor under section 4705 or 4712 of title 41—

“(A) the number of complaints relating to such disclosures that were investigated by the Inspector General of the Department of Veterans Affairs during the year covered by the report;

“(B) the disposition of such complaints; and

“(C) the ways in which the Secretary addressed such complaints.

“(b) NOTICE OF OFFICE OF SPECIAL COUNSEL DETERMINATIONS.—Not later than 30 days after the date on
which the Secretary receives from the Special Counsel inform-
ination relating to a whistleblower complaint pursuant to
section 1213 of title 5, the Secretary shall notify the Com-
mittees on Veterans’ Affairs of the House of Representatives
and the Senate, the Committee on Oversight and Govern-
ment Reform of the House of Representatives, and the Com-
mittee on Homeland Security and Governmental Affairs of
the Senate of such information, including the determination
made by the Special Counsel.”.

(b) Conforming and Clerical Amendments.—

(1) Conforming Amendment.—Such chapter is
further amended by inserting before section 701 the
following:

“SUBCHAPTER I—GENERAL EMPLOYEE
MATTERS”.

(2) Clerical Amendments.—The table of sec-
tions at the beginning of such chapter is amended—

(A) by inserting before the item relating to
section 701 the following new item:

“SUBCHAPTER I—GENERAL EMPLOYEE MATTERS”;

and

(B) by adding at the end the following new
items:

“SUBCHAPTER II—WHISTLEBLOWER COMPLAINTS

‘731. Whistleblower complaint defined.
‘732. Treatment of whistleblower complaints.
‘733. Adverse actions against supervisory employees who commit prohibited per-
sonnel actions relating to whistleblower complaints.
"34. Evaluation criteria of supervisors and treatment of bonuses.
"35. Training regarding whistleblower complaints.
"36. Reports to Congress."

SEC. 5. REFORM OF PERFORMANCE APPRAISAL SYSTEM FOR SENIOR EXECUTIVE SERVICE EMPLOYEES OF THE DEPARTMENT OF VETERANS AFFAIRS.

(a) PERFORMANCE APPRAISAL SYSTEM.—

(1) In general.—Chapter 7 of title 38, United States Code, is further amended by inserting after section 717, as added by section 3, the following new section:

§ 719. Senior executives: performance appraisal

(a) PERFORMANCE APPRAISAL SYSTEM.—(1) The performance appraisal system for individuals employed in senior executive positions in the Department required by section 4312 of title 5 shall provide, in addition to the requirements of such section, for five annual summary ratings of levels of performance as follows:

(A) One outstanding level.
(B) One exceeds fully successful level.
(C) One fully successful level.
(D) One minimally satisfactory level.
(E) One unsatisfactory level.

(2) The following limitations apply to the rating of the performance of such individuals:
“(A) For any year, not more than 10 percent of such individuals who receive a performance rating during that year may receive the outstanding level under paragraph (1)(A).

“(B) For any year, not more than 20 percent of such individuals who receive a performance rating during that year may receive the exceeds fully successful level under paragraph (1)(B).

“(3) In evaluating the performance of an individual under the performance appraisal system, the Secretary shall take into consideration—

“(A) any complaint or report (including any pending or published report) submitted by the Inspector General of the Department, the Comptroller General of the United States, the Equal Employment Opportunity Commission, or any other appropriate person or entity, related to any facility or program managed by the individual, as determined by the Secretary;

“(B) efforts made by the individual to maintain high levels of satisfaction and commitment among the employees supervised by the individual; and

“(C) the criteria described in section 734(a)(2) of this title.
“(b) Change of Position.—(1) At least once every five years, the Secretary shall reassign each individual employed in a senior executive position to a position at a different location that does not include the supervision of the same personnel or programs. The Secretary shall make such reassignments on a rolling basis based on the date on which an individual was originally assigned to a position.

“(2) The Secretary may waive the requirement under paragraph (1) for any such individual, if the Secretary submits to the Committees on Veterans’ Affairs of the Senate and House of Representatives notice of the waiver and an explanation of the reasons for the waiver.

“(c) Report.—Not later than March 1 of each year, the Secretary shall submit to the Committees on Veterans’ Affairs and Homeland Security and Governmental Affairs of the Senate and the Committees on Veterans’ Affairs and Oversight and Government Reform of the House of Representatives a report on the performance appraisal system of the Department under subsection (a). Each such report shall include, for the year preceding the year during which the report is submitted, each of the following:

“(1) All documentation concerning each of the following for each individual employed in a senior executive position in the Department:

“(A) The initial performance appraisal.

“HR 1994 RH
“(B) The higher level review, if requested.

“(C) The recommendations of the performance review board.

“(D) The final summary review.

“(E) The number of initial performance ratings raised as a result of the recommendations of the performance review board.

“(F) The number of initial performance ratings lowered as a result of the recommendations of the performance review board.

“(G) Any adverse action taken against any such individual who receives a performance rating of less than fully successful.

“(2) The review of the Inspector General of the Department of the information described in subparagraphs (A) through (D) of paragraph (1).

“(3) A summary of the documentation provided under paragraph (1).

“(d) DEFINITION OF SENIOR EXECUTIVE POSITION.—In this section, the term ‘senior executive position’ has the meaning given that term in section 713(g)(3) of this title.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter, as amended by section 3, is further amended by inserting after the item relating to section 717 the following new item:

“719. Senior executives: performance appraisal.”.
(3) **CONFORMING AMENDMENT.—**Section 4312(b) of title 5, United States Code, is amended—

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

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

(C) by adding at the end the following:

“(4) that, in the case of the Department of Veterans Affairs, the performance appraisal system meets the requirements of section 719 of title 38.”.

**b) REVIEW OF SES MANAGEMENT TRAINING.—**

(1) **REVIEW.—**Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall enter into a contract with a non-governmental entity to review the management training program for individuals employed in senior executive positions (as such term is defined in section 713(g)(3) of title 38, United States Code) of the Department of Veterans Affairs that is being provided as of the date of the enactment of this Act. Such review shall include a comparison of the training provided by the Department of Veterans Affairs to the management training provided for senior executives of other Federal departments and agencies and to the management training provided to senior executives in the...
private sector. The contract shall provide that the
nongovernmental entity must complete and submit to
the Secretary a report containing the findings and
conclusions of the review by not later than 180 days
after the date on which the Secretary and the non-
governmental entity enter into the contract.

(2) REPORT TO CONGRESS.—Not later than 60
days after the date on which the Secretary receives the
report under paragraph (1), the Secretary shall sub-
mit to the Committees on Veterans’ Affairs of the Sen-
ate and House of Representatives the report together
with a plan for carrying out the recommendations
contained in the report.

SEC. 6. REDUCTION OF BENEFITS FOR MEMBERS OF THE
SENIOR EXECUTIVE SERVICE WITHIN THE DE-
PARTMENT OF VETERANS AFFAIRS CON-
VICTED OF CERTAIN CRIMES.

(a) Reduction of Benefits.—

(1) In general.—Chapter 7 of title 38, United
States Code, is further amended by inserting after sec-
tion 719, as added by section 5, the following new sec-
tion:
“§ 721. Senior executives: reduction of benefits of individuals convicted of certain crimes

“(a) Reduction of annuity for removed employee.—The Secretary shall order that the covered service of an individual removed from a senior executive position under section 713 of this title shall not be taken into account for purposes of calculating an annuity with respect to such individual under chapter 83 or chapter 84 of title 5, if—

“(1) the individual is convicted of a felony that influenced the individual’s performance while employed in the senior executive position; and

“(2) before such order is made, the individual is afforded notice and an opportunity for a hearing conducted by another department or agency of the Federal Government.

“(b) Reduction of annuity for retired employee.—(1) The Secretary may order that the covered service of an individual who is subject to a removal or transfer action under section 713 of this title but who leaves employment at the Department prior to the issuance of a final decision with respect to such action shall not be taken into account for purposes of calculating an annuity with respect to such individual under chapter 83 or chapter 84 of title 5, if—
“(A) the individual is convicted of a felony that influenced the individual’s performance while employed in the senior executive position; and

“(B) before such order is made, the individual is afforded notice and an opportunity for a hearing conducted by another department or agency of the Federal Government.

“(2) The Secretary shall make such an order not later than seven days after the date of the conclusion of a hearing referred to in paragraph (1)(B) that determines that such order is lawful.

“(c) Administrative Requirements.—(1) Not later than 30 days after the Secretary issues an order under subsection (a) or (b), the Director of the Office of Personnel Management shall recalculate the annuity of the individual.

“(2) A decision regarding whether the covered service of an individual shall be taken into account for purposes of calculating an annuity under subsection (a) or (b) is final and may not be reviewed by any department or agency or any court.

“(d) Lump-Sum Annuity Credit.—Any individual with respect to whom an annuity is reduced under subsection (a) or (b) shall be entitled to be paid so much of such individual’s lump-sum credit as is attributable to the period of covered service.
“(e) DEFINITIONS.—In this section:

“(1) The term ‘covered service’ means, with respect to an individual subject to a removal or transfer action under section 713 of this title, the period of service beginning on the date that the Secretary determines under such section that such individual engaged in activity that gave rise to such action and ending on the date that such individual is removed from the civil service or leaves employment at the Department prior to the issuance of a final decision with respect to such action, as the case may be.

“(2) The term ‘lump-sum credit’ has the meaning given such term in section 8331(8) or section 8401(19) of title 5, as the case may be.

“(3) The term ‘senior executive position’ has the meaning given such term in section 713(g)(3) of this title.

“(4) The term ‘service’ has the meaning given such term in section 8331(12) or section 8401(26) of title 5, as the case may be.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 7 of such title is amended by inserting after the item relating to section 719, as added by section 5, the following new item:
“§721. Senior executives: reduction of benefits of individuals convicted of certain crimes.”.

(b) Application.—Section 721 of title 38, United States Code, as added by subsection (a)(1), shall apply to any action of removal or transfer under section 713 of title 38, United States Code, commencing on or after the date of the enactment of this Act.

SEC. 7. LIMITATION ON ADMINISTRATIVE LEAVE FOR EMPLOYEES DEPARTMENT OF VETERANS AFFAIRS.

(a) Limitation.—

(1) In general.—Chapter 7 of title 38, United States Code, is further amended by inserting after section 721, as added by section 6, the following new section:

“§723. Limitation on administrative leave

“(a) In general.—Except as provided in subsection (b), the Secretary may not place any covered individual on administrative leave, or any other type of paid non-duty status without charge to leave, for more than a total of 14 days during any 365-day period.

“(b) Waiver.—The Secretary may waive the limitation under subsection (a) and extend the administrative leave or other paid non-duty status without charge to leave of a covered individual placed on such leave or status under subsection (a) if the Secretary submits to the Committees
on Veterans’ Affairs of the Senate and House of Representatives a detailed explanation of the reasons the individual was placed on administrative leave or other paid non-duty status without charge to leave and the reasons for the extension of such leave or status. Such explanation shall include the name of the covered individual, the location where the individual is employed, and the individual’s job title.

“(c) COVERED INDIVIDUAL.—In this subsection, the term ‘covered individual’ means an employee of the Department—

“(1) who is subject to an investigation for purposes of determining whether such individual should be subject to any disciplinary action under this title or title 5; or

“(2) against whom any disciplinary action is proposed or initiated under this title or title 5.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter, as amended by section 6, is further amended by inserting after the item relating to section 721 the following new item:

“723. Limitation on administrative leave.”.

(b) APPLICATION.—Section 723 of title 38, United States Code, as added by subsection (a)(1), shall apply with respect to any 365-day period beginning on or after the date of enactment of this Act.
SEC. 8. TREATMENT OF CONGRESSIONAL TESTIMONY BY DEPARTMENT OF VETERANS AFFAIRS EMPLOYEES AS OFFICIAL DUTY.

(a) In General.—Chapter 7 of title 38, United States Code, is further amended by inserting after section 723, as added by section 7, the following new section:

“§ 725. Congressional testimony by employees: treatment as official duty

“(a) Congressional Testimony.—An employee of the Department is performing official duty during the period with respect to which the employee is testifying in an official capacity in front of either House of Congress, a committee of either House of Congress, or a joint or select committee of Congress.

“(b) Travel Expenses.—The Secretary shall provide travel expenses, including per diem in lieu of subsistence, in accordance with applicable provisions under subchapter I of chapter 57 of title 5, to any employee of the Department of Veterans Affairs performing official duty described under subsection (a).”.

(b) Clerical Amendment.—The table of sections at the beginning of such chapter is further amended by inserting after the item relating to section 723, as added by section 7, the following new item:

“725. Congressional testimony by employees: treatment as official duty.”.
SEC. 9. LIMITATION ON AWARDS AND BONUSES PAID TO
EMPLOYEES OF DEPARTMENT OF VETERANS
AFFAIRS.

Section 705 of the Veterans Access, Choice, and Ac-
countability Act of 2014 (Public Law 113–146; 38 U.S.C.
703 note) is amended to read as follows:

“SEC. 705. LIMITATION ON AWARDS AND BONUSES PAID TO
EMPLOYEES OF DEPARTMENT OF VETERANS
AFFAIRS.

“The Secretary of Veterans Affairs shall ensure that
the aggregate amount of awards and bonuses paid by the
Secretary in a fiscal year under chapter 45 or 53 of title
5, United States Code, or any other awards or bonuses au-
thorized under such title or title 38, United States Code,
does not exceed the following amounts:

“(1) With respect to each of fiscal years 2015
through 2018, $300,000,000.

“(2) With respect to each of fiscal years 2019
through 2024, $360,000,000.”.

SEC. 10. COMPTROLLER GENERAL STUDY OF DEPARTMENT
TIME AND SPACE USED FOR LABOR ORGANI-
ZATION ACTIVITY.

(a) STUDY REQUIRED.—Not later than 180 days after
the date of the enactment of this Act, the Comptroller Gen-
eral of the United States shall conduct a study on the
amount of time spent by Department of Veterans Affairs
employees carrying out organizing activities relating to labor organizations and the amount of space in Department facilities used for such activities. The study shall include a cost-benefit analysis of the use of such time and space for such activities.

(b) REPORT TO CONGRESS.—Not later than 90 days after the completion of the study required under subsection (a), the Comptroller General shall submit to the Committees on Veterans’ Affairs of the Senate and House of Representatives a report on the results of the study.
A BILL

To amend title 38, United States Code, to provide for the removal or demotion of employees of the Department of Veterans Affairs based on performance or misconduct, and for other purposes.

JULY 23, 2015

Reported from the Committee on Veterans' Affairs with an amendment.

JULY 23, 2015

The Committee on Oversight and Government Reform discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed.

H. R. 1994

114th CONGRESS
1ST SESSION
[Report No. 114-225, Part I]