

115TH CONGRESS
1ST SESSION

H. R. 378

To amend title 5, United States Code, to enhance the authority under which Federal agencies may pay cash awards to employees for making cost saving disclosures, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 9, 2017

Mr. FLEISCHMANN (for himself and Mr. COOPER) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

A BILL

To amend title 5, United States Code, to enhance the authority under which Federal agencies may pay cash awards to employees for making cost saving disclosures, 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.**

4 This Act may be cited as the “Bonuses for Cost-Cut-
5 ters Act of 2017”.

6 **SEC. 2. COST SAVINGS ENHANCEMENTS.**

7 (a) DEFINITIONS.—Section 4511 of title 5, United
8 States Code, is amended—

1 (1) in the section heading, by striking “**Defi-**
2 **nition**” and inserting “**Definitions**”; and

3 (2) in subsection (a)—

4 (A) by striking the period at the end and
5 inserting “; and”;

6 (B) by striking “this subchapter, the
7 term” and inserting the following: “this sub-
8 chapter—

9 “(1) the term”; and

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

11 “(2) the term ‘unnecessary expenses’ means
12 amounts made available for salaries and expenses
13 accounts, operations and maintenance accounts, or
14 other equivalent accounts—

15 “(A) that are identified by an employee of
16 the agency under section 4512(a) as unneces-
17 sary;

18 “(B) that the Chief Financial Officer of
19 the agency determines are not required for the
20 purpose for which the amounts were made
21 available; and

22 “(C) the rescission of which would not be
23 detrimental to the full execution of the purposes
24 for which the amounts were made available.”.

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

3 (1) in subsection (a)—

4 (A) by inserting “The head of an agency
5 may pay a cash award to any employee of such
6 agency whose identification of unnecessary ex-
7 penses to the Chief Financial Officer of the
8 agency has resulted in cost savings for the
9 agency.” after the first sentence;

10 (B) in paragraph (1) by striking
11 “\$10,000” and inserting “\$20,000”;

12 (C) in paragraph (2)—

13 (i) by inserting “Chief Financial Offi-
14 cer,” after “Inspector General,”;

15 (ii) by striking “employee designated
16 under subsection (b)” and inserting “des-
17 ignated employee”; and

18 (iii) by inserting “or identification”
19 after “disclosure”; and

20 (D) in the matter following paragraph
21 (2)—

22 (i) by inserting “, Chief Financial Of-
23 ficer,” after “Inspector General”; and

24 (ii) by inserting “or identification”
25 after “disclosure”;

1 (2) in subsection (b) by striking “awards per-
2 mitted under this section” and inserting “awards for
3 the disclosure of fraud, waste, or mismanagement
4 under this section”; and

5 (3) by adding at the end the following:

6 “(c)(1) If the Chief Financial Officer of the agency
7 determines that potential unnecessary expenses identified
8 by an employee meet the requirements of subparagraphs
9 (C) and (D) of section 4511(a)(2), except as provided in
10 subsection (d), the head of the agency shall transfer the
11 amount of the unnecessary expenses or unnecessary budg-
12 et authority from the applicable appropriations account to
13 the general fund of the Treasury.

14 “(2) Any amounts transferred under paragraph (1)
15 shall be deposited in the Treasury and used for deficit re-
16 duction, except that in the case of a fiscal year for which
17 there is no Federal budget deficit, such amounts shall be
18 used to reduce the Federal debt (in such manner as the
19 Secretary of the Treasury considers appropriate).

20 “(3) In the case of an agency for which there is no
21 Chief Financial Officer, the head of the agency shall des-
22 ignate an agency employee who shall have the authority
23 to make the determinations for identification of unneces-
24 sary expenses under this section.

1 “(d)(1) The head of an agency may retain not more
2 than 10 percent of amounts to be transferred to the gen-
3 eral fund of the Treasury under subsection (c)(1).

4 “(2) Amounts retained by the head of an agency
5 under paragraph (1) may be—

6 “(A) used for the purpose of paying a cash
7 award under subsection (a) to one or more employ-
8 ees who identified the unnecessary expenses; and

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

14 “(e)(1) Not later than October 1 of each fiscal year,
15 the head of each agency shall submit to the Secretary of
16 the Treasury a report identifying the total savings
17 achieved during the previous fiscal year through disclo-
18 sures of possible fraud, waste, or mismanagement and
19 identifications of unnecessary expenses by an employee.

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

23 “(A) describes each disclosure of possible fraud,
24 waste, or mismanagement or identification of poten-

1 tially unnecessary expenses by an employee of the
2 agency determined by the agency to have merit; and

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

5 “(3) The head of each agency shall include the infor-
6 mation described in paragraphs (1) and (2) in each budget
7 request of the agency submitted to the Office of Manage-
8 ment and Budget as part of the preparation of the budget
9 of the President submitted to Congress under section
10 1105(a) of title 31.

11 “(4) The Secretary of the Treasury shall submit to
12 the Committee on Appropriations of the Senate, the Com-
13 mittee on Appropriations of the House of Representatives,
14 and the Government Accountability Office an annual re-
15 port on Federal cost saving and awards based on the re-
16 ports submitted under paragraphs (1) and (2).

17 “(f) The Director of the Office of Personnel Manage-
18 ment shall—

19 “(1) ensure that the cash award program of
20 each agency complies with this section; and

21 “(2) submit to Congress an annual certification
22 indicating whether the cash award program of each
23 agency complies with this section.

24 “(g) Not later than 3 years after the date of enact-
25 ment of the Bonuses for Cost-Cutters Act of 2017, and

1 every 3 years thereafter, the Comptroller General of the
2 United States shall submit to Congress a report on the
3 operation of the cost savings and awards program under
4 this section, including any recommendations for legislative
5 changes.”.

6 (c) TECHNICAL AND CONFORMING AMENDMENT.—

7 The table of sections for subchapter II of chapter 45 of
8 title 5, United States Code, is amended by striking the
9 item relating to section 4511 and inserting the following:

“4511. Definitions and general provisions.”.

10 **SEC. 3. OFFICERS ELIGIBLE FOR CASH AWARDS.**

11 (a) IN GENERAL.—Section 4509 of title 5, United
12 States Code, is amended to read as follows:

13 **“§ 4509. Prohibition of cash award to certain officers**
14 **and employees**

15 “An individual may not receive a cash award under
16 this subchapter if the individual—

17 “(1) is an officer serving in a position at level
18 I of the Executive Schedule;

19 “(2) is the head of an agency;

20 “(3) is an officer or employee of the Office of
21 the Inspector General of an agency; or

22 “(4) is a commissioner, board member, or other
23 voting member of an independent establishment.”.

24 (b) TECHNICAL AND CONFORMING AMENDMENT.—

25 The table of sections for chapter 45 of title 5, United

- 1 States Code, is amended by striking the item relating to
- 2 section 4509 and inserting the following:

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

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