

119TH CONGRESS
1ST SESSION

H. R. 201

To implement a 5-year pilot program establishing a performance-based pay structure for certain Federal employees in order to enhance productivity, accountability, and employee satisfaction in public service.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2025

Ms. TENNEY introduced the following bill; which was referred to the
Committee on Oversight and Government Reform

A BILL

To implement a 5-year pilot program establishing a performance-based pay structure for certain Federal employees in order to enhance productivity, accountability, and employee satisfaction in public service.

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 “Federal Employee Per-
5 formance and Accountability Act of 2025”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) DIRECTOR.—The term “Director” means
2 the Director of the Office of Management and Budg-
3 et.

4 (2) ELIGIBLE EMPLOYEE.—The term “eligible
5 employee” means an employee of an Executive agen-
6 cy employed in a position that—

7 (A) is—

8 (i) at the GS–11, GS–12, GS–13,
9 GS–14, or GS–15 level; or

10 (ii) a senior-level position, which shall
11 be defined as a position classified above
12 the GS–15 level under section 5108 of title
13 5, United States Code; and

14 (B) has clearly measurable performance
15 criteria, such as—

16 (i) a project management position;

17 (ii) a position involving administrative
18 or policy analysis;

19 (iii) an information technology, fi-
20 nance, or procurement specialist;

21 (iv) a leadership position that involves
22 managing a team, evaluating program per-
23 formance, or supervising operations;

24 (v) a customer service representative;

25 or

1 (vi) a claims processor.

2 (3) EXECUTIVE AGENCY.—The term “Executive
3 agency” has the meaning given the term in section
4 105 of title 5, United States Code.

5 (4) PARTICIPATING AGENCY.—The term “par-
6 ticipating agency” means an Executive agency, 1 or
7 more employees of which are participating employees
8 in accordance with section 3(b)(1).

9 (5) PARTICIPATING EMPLOYEE.—The term
10 “participating employee” means an eligible employee
11 who participates in the Program.

12 (6) PERFORMANCE METRICS.—The term “per-
13 formance metrics”, with respect to a participating
14 agency, means standards for participating employees
15 tailored to functions that are specific to the partici-
16 pating agency, which may include—

17 (A) productivity standards, which measure
18 quantifiable outputs such as completed cases,
19 projects, or responses per quarter;

20 (B) quality standards, which measure com-
21 pliance with protocols, accuracy, and customer
22 satisfaction rates; and

23 (C) timeliness standards, which measure
24 compliance with processing deadlines, efficiency
25 improvements, and timely task completion.

1 (7) PROGRAM.—The term “Program” means
2 the pilot program established under section 3(a).

3 **SEC. 3. PILOT PROGRAM ELIGIBILITY AND PROGRAM**
4 **SCOPE.**

5 (a) IN GENERAL.—During the 5-year period begin-
6 ning on the date that is 180 days after the date of enact-
7 ment of this Act, the Director shall carry out a pilot pro-
8 gram that establishes a performance-based pay structure
9 for participating employees.

10 (b) PARTICIPATION.—

11 (1) IN GENERAL.—Subject to paragraph (2),
12 the head of each Executive agency shall ensure that
13 not less than 1 percent and not more than 10 per-
14 cent of eligible employees of the Executive agency
15 participate in the Program.

16 (2) OPT-OUT.—

17 (A) IN GENERAL.—The head of an Execu-
18 tive agency may elect to not have the Executive
19 agency participate in the Program if the head
20 of the Executive agency determines that partici-
21 pation could pose risks to national security or
22 public safety.

23 (B) TRANSPARENCY REQUIREMENT.—If
24 the head of an Executive agency determines
25 that the Executive agency should not partici-

1 pate in the Program pursuant to subparagraph
2 (A), the head of the Executive agency shall sub-
3 mit to the Director a written justification for
4 the decision.

5 **SEC. 4. PERFORMANCE MEASUREMENT AND ACCOUNT-**
6 **ABILITY.**

7 (a) **ANNUAL PERFORMANCE METRICS.**—A partici-
8 pating agency shall establish annual performance metrics
9 for each participating employee related to core functions
10 and public service delivery, focusing on productivity, qual-
11 ity, and timeliness.

12 (b) **EVALUATION PROCESS.**—The Director shall es-
13 tablish, and each participating agency shall implement, a
14 standardized, objective performance evaluation system
15 that includes periodic review of the performance of a par-
16 ticipating employee.

17 (c) **EMPLOYEE SUPPORT AND TRAINING.**—A partici-
18 pating agency shall provide training and resources to sup-
19 port participating employees in understanding and meet-
20 ing performance metrics, including an introductory train-
21 ing course and quarterly performance feedback sessions.

22 **SEC. 5. INCENTIVE PAY STRUCTURE AND NON-MONETARY**
23 **BENEFITS.**

24 (a) **TIERED SALARY INCREASE STRUCTURE.**—

1 (1) IN GENERAL.—A participating agency shall
2 implement a tiered salary adjustment system for
3 participating employees based on their annual per-
4 formance evaluations under section 4 under which,
5 effective as of the first day of the first applicable
6 pay period beginning on or after the first day of the
7 second year of the Program, and of each year there-
8 after, a participating agency shall adjust (if applica-
9 ble) the rate of basic pay of a participating employee
10 in accordance with this subsection.

11 (2) TIER 1 (EXCEEDS EXPECTATIONS).—In the
12 case of a participating employee who significantly
13 exceeded established performance metrics during the
14 preceding year (referred to in this section as a “tier
15 1 employee”), a participating agency shall increase
16 the rate of basic pay of the participating employee
17 by not more than 10 percent.

18 (3) TIER 2 (MEETS EXPECTATIONS).—In the
19 case of a participating employee who met established
20 performance metrics during the preceding year (re-
21 ferred to in this section as a “tier 2 employee”), a
22 participating agency may not adjust the rate of basic
23 pay of the participating employee.

24 (4) TIER 3 (BELOW EXPECTATIONS).—In the
25 case of a participating employee who did not meet

1 established performance metrics during the pre-
2 ceding year (referred to in this section as a “tier 3
3 employee”), the participating agency shall—

4 (A) reduce the rate of basic pay of the par-
5 ticipating employee by 10 percent; and

6 (B) provide training or development oppor-
7 tunities to assist the participating employee in
8 improving performance.

9 (b) BONUSES.—The head of a participating agency,
10 at the discretion of the agency head, may award a bonus
11 to a tier 1 employee.

12 (c) NON-MONETARY BENEFITS.—The head of a par-
13 ticipating agency, at the discretion of the agency head,
14 may provide a tier 1 employee or tier 2 employee with
15 flexible scheduling, telework options, and other non-mone-
16 tary benefits or incentives, such as technology upgrades
17 and parking options.

18 (d) RELATION TO TITLE 5 PAY ADJUSTMENTS,
19 STEP-INCREASES, AND OTHER MONETARY BENEFITS.—
20 A participating employee shall not be eligible for any ad-
21 justment of pay, advancement in pay, or bonus or other
22 type of additional monetary compensation under title 5,
23 United States Code, based on any service performed while
24 the employee is participating in the Program, including—

1 (1) adjustment of the rate of basic pay under
2 section 5303, 5304, or 5304a of that title;

3 (2) advancement in pay to a higher rate within
4 the grade in which the employee's position is placed
5 under section 5335 or 5336 of that title;

6 (3) bonuses under section 5753 or 5754 of that
7 title; and

8 (4) performance awards under section 5384 of
9 that title.

10 **SEC. 6. REPORTING AND ACCOUNTABILITY.**

11 (a) ANNUAL AGENCY PRODUCTIVITY REPORTS.—

12 (1) IN GENERAL.—For each year in which the
13 Program is carried out, a participating agency shall
14 submit a report to the Director that includes the fol-
15 lowing information:

16 (A) QUANTITATIVE OUTCOMES.—Data on
17 cost savings, efficiency gains, and overall pro-
18 ductivity metrics.

19 (B) QUALITATIVE OUTCOMES.—Examples
20 of how productivity improvements have posi-
21 tively impacted public service outcomes and em-
22 ployee satisfaction.

23 (2) OMB OVERSIGHT AND RECOMMENDA-
24 TIONS.—The Director shall—

1 (A) review each report submitted under
2 paragraph (1); and

3 (B) recommend adjustments to partici-
4 pating agencies as appropriate.

5 (b) ANNUAL OMB ASSESSMENTS.—For each year in
6 which the Program is carried out, the Director shall—

7 (1) assess the outcomes of the Program with re-
8 spect to productivity, budgetary impact, and em-
9 ployee satisfaction; and

10 (2) publish and submit to Congress a report on
11 the assessment conducted under paragraph (1).

12 (c) FINAL REVIEW.—Not later than 1 year after the
13 date on which the Program terminates, the Comptroller
14 General of the United States and the Director shall assess
15 the success of the Program and submit to Congress a re-
16 port on the impact of the Program on productivity, budg-
17 ets, and employee engagement.

18 **SEC. 7. FUNDING.**

19 (a) NO ADDITIONAL FUNDS.—No additional funds
20 are authorized to be appropriated to carry out this Act.

21 (b) USE OF EXISTING FUNDS.—The Office of Man-
22 agement and Budget, the Government Accountability Of-
23 fice, and each participating agency shall carry out the du-

- 1 ties of the respective agency under this Act using amounts
- 2 otherwise made available to that agency.

