

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: In the nature of a substitute.

**IN THE SENATE OF THE UNITED STATES—114th Cong., 2d Sess.**

**S. 1378**

To strengthen employee cost savings suggestions programs  
within the Federal Government.

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended  
to be proposed by Mr. PAUL

Viz:

1 Strike all after the enacting clause and insert the fol-

2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Bonuses for Cost-Cut-  
5 ters Act of 2016”.

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

7 (a) IN GENERAL.—

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

10 (A) in the section heading, by striking

11 “**Definition**” and inserting “**Definitions**”;

12 and

1 (B) in subsection (a)—

2 (i) by striking “this subchapter, the  
3 term” and inserting the following: “this  
4 subchapter—

5 “(1) the term”;

6 (ii) by striking the period at the end  
7 and inserting “; and”; and

8 (iii) by adding at the end the fol-  
9 lowing:

10 “(2) the term ‘surplus salaries and expenses  
11 funds’ means amounts made available for the sala-  
12 ries and expenses account, or equivalent account, of  
13 an agency—

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

17 “(B) that the Inspector General of the  
18 agency or other agency employee designated  
19 under section 4512(b) determines are not re-  
20 quired for the purpose for which the amounts  
21 were made available;

22 “(C) that the Chief Financial Officer of  
23 the agency determines are not required for the  
24 purpose for which the amounts were made  
25 available; and

1           “(D) the rescission of which would not be  
2           detrimental to the full execution of the purposes  
3           for which the amounts were made available.”.

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

6           (A) in subsection (a)—

7                   (i) in the matter preceding paragraph  
8                   (1), by inserting “or identification of sur-  
9                   plus salaries and expenses funds” after  
10                   “mismanagement”;

11                   (ii) in paragraph (2), by inserting “or  
12                   identification” after “disclosure”; and

13                   (iii) in the matter following paragraph  
14                   (2), by inserting “or identification” after  
15                   “disclosure”; and

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

17           “(c)(1) The Inspector General of an agency or other  
18           agency employee designated under subsection (b) shall  
19           refer to the Chief Financial Officer of the agency any po-  
20           tential surplus salaries and expenses funds identified by  
21           an employee that the Inspector General or other agency  
22           employee determines meets the requirements under sub-  
23           paragraphs (B) and (D) of section 4511(a)(2), along with  
24           any recommendations of the Inspector General or other  
25           agency employee.

1           “(2)(A) If the Chief Financial Officer of the agency  
2 determines that potential surplus salaries and expenses  
3 funds referred under paragraph (1) meet the requirements  
4 under section 4511(a)(2), except as provided in subsection  
5 (d), the head of the agency shall transfer the amount of  
6 the surplus funds or unnecessary budget authority from  
7 the applicable appropriations account to the general fund  
8 of the Treasury.

9           “(B) Any amounts transferred under subparagraph  
10 (A) shall be deposited in the Treasury and used for deficit  
11 reduction, except that in the case of a fiscal year for which  
12 there is no Federal budget deficit, such amounts shall be  
13 used to reduce the Federal debt (in such manner as the  
14 Secretary of the Treasury considers appropriate).

15           “(3) The Inspector General or other agency employee  
16 designated under subsection (b) for each agency and the  
17 Chief Financial Officer for each agency shall issues stand-  
18 ards and definitions for purposes of making determina-  
19 tions relating to potential surplus salaries and expenses  
20 funds identified by an employee under this subsection.

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

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

1           “(A) used for the purpose of paying a cash  
2           award under subsection (a) to 1 or more employees  
3           who identified the surplus salaries and expenses  
4           funds; and

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

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

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

20                 “(A) describes each disclosure of possible fraud,  
21                 waste, or mismanagement or identification of poten-  
22                 tially surplus salaries and expenses funds by an em-  
23                 ployee of the agency determined by the agency to  
24                 have merit; and

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

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

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

15          “(f) The Director of the Office of Personnel Manage-  
16          ment shall—

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

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

22          “(g) Not later than 3 years after the date of enact-  
23          ment of this subsection, and every 3 years thereafter, the  
24          Comptroller General of the United States shall submit to  
25          Congress a report on the operation of the cost savings and

1 awards program under this section, including any rec-  
2 ommendations for legislative changes.”.

3           (3) TECHNICAL AND CONFORMING AMEND-  
4           MENT.—The table of sections for subchapter II of  
5           chapter 45 of title 5, United States Code, is amend-  
6           ed by striking the item relating to section 4511 and  
7           inserting the following:

“4511. Definitions and general provisions.”.

8           (4) SUNSET.—Effective 6 years after the date  
9           of enactment of this Act—

10           (A) section 4511 of title 5, United States  
11           Code, is amended—

12           (i) in the section heading, by striking  
13           **“Definitions”** and inserting **“Defini-**  
14           **tion”**;

15           (ii) in subsection (a)—

16           (I) in paragraph (1), by striking  
17           “; and” and inserting a period;

18           (II) by striking “this sub-  
19           chapter—” and all that follows  
20           through “the term ‘agency’ means”  
21           and inserting “this subchapter, the  
22           term ‘agency’ means”; and

23           (III) by striking paragraph (2);

24           (B) section 4512 of title 5, United States  
25           Code, is amended—

1 (i) in subsection (a)—

2 (I) in the matter preceding para-  
3 graph (1), by striking “or identifica-  
4 tion of surplus salaries and expenses  
5 funds”;

6 (II) in paragraph (2), by striking  
7 “or identification”; and

8 (III) in the matter following  
9 paragraph (2), by striking “or identi-  
10 fication”; and

11 (ii) by striking subsections (c)  
12 through (g); and

13 (C) the table of sections for subchapter II  
14 of chapter 45 of title 5, United States Code, is  
15 amended by striking the item relating to section  
16 4511 and inserting the following:

“4511. Definition and general provisions.”.

17 (b) OFFICERS ELIGIBLE FOR CASH AWARDS.—

18 (1) IN GENERAL.—Section 4509 of title 5,  
19 United States Code, is amended to read as follows:

20 **“§ 4509. Prohibition of cash award to certain officers**

21 “(a) DEFINITIONS.—In this section, the term ‘agen-  
22 cy’—

23 “(1) has the meaning given that term under  
24 section 551(1); and



1           “(2) includes an entity described in section  
2           4501(1).

3           “(b) PROHIBITION.—An officer may not receive a  
4 cash award under this subchapter if the officer—

5           “(1) serves in a position at level I of the Execu-  
6           tive Schedule;

7           “(2) is the head of an agency; or

8           “(3) is a commissioner, board member, or other  
9           voting member of an independent establishment.”.

10           (2) TECHNICAL AND CONFORMING AMEND-  
11           MENT.—The table of sections for chapter 45 of title  
12           5, United States Code, is amended by striking the  
13           item relating to section 4509 and inserting the fol-  
14           lowing:

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