

**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

**TO H.R. 2532**

**OFFERED BY MR. CHAFFETZ OF UTAH**

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

13 (B) in subsection (a)—

14 (i) by striking the period at the end  
15 and inserting “; and”; and

16 (ii) by striking “this subchapter, the  
17 term” and inserting the following: “this  
18 subchapter—

19 “(1) the term”;

1 (iii) by adding at the end the fol-  
2 lowing:

3 “(2) the term ‘surplus salaries and expenses  
4 funds’ means amounts made available for the sala-  
5 ries and expenses account, or equivalent account, of  
6 an agency—

7 “(A) that are identified by an employee of  
8 the agency under section 4512(a) as unneces-  
9 sary;

10 “(B) that the Inspector General of the  
11 agency or other agency employee designated  
12 under section 4512(b) determines are not re-  
13 quired for the purpose for which the amounts  
14 were made available;

15 “(C) that the Chief Financial Officer of  
16 the agency determines are not required for the  
17 purpose for which the amounts were made  
18 available; and

19 “(D) the rescission of which would not be  
20 detrimental to the full execution of the purposes  
21 for which the amounts were made available.”.

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

24 (A) in subsection (a)—

1 (i) in the matter preceding paragraph  
2 (1), by inserting “or identification of sur-  
3 plus salaries and expenses funds” after  
4 “mismanagement”;

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

7 (iii) in the matter following paragraph  
8 (2), by inserting “or identification” after  
9 “disclosure”; and

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

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

20 “(2)(A) If the Chief Financial Officer of the agency  
21 determines that potential surplus salaries and expenses  
22 funds referred under paragraph (1) meet the requirements  
23 under section 4511(a)(2), except as provided in subsection  
24 (d), the head of the agency shall transfer the amount of  
25 the surplus funds or unnecessary budget authority from

1 the applicable appropriations account to the general fund  
2 of the Treasury.

3 “(B) Any amounts transferred under subparagraph  
4 (A) shall be deposited in the Treasury and used for deficit  
5 reduction, except that in the case of a fiscal year for which  
6 there is no Federal budget deficit, such amounts shall be  
7 used to reduce the Federal debt (in such manner as the  
8 Secretary of the Treasury considers appropriate).

9 “(3) The Inspector General or other agency employee  
10 designated under subsection (b) for each agency and the  
11 Chief Financial Officer for each agency shall issues stand-  
12 ards and definitions for purposes of making determina-  
13 tions relating to potential surplus salaries and expenses  
14 funds identified by an employee under this subsection.

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

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

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

24 “(B) to the extent amounts remain after paying  
25 cash awards under subsection (a), transferred or re-

1       programmed for use by the agency, in accordance  
2       with any limitation on such a transfer or reprogram-  
3       ming under any other provision of law.

4       “(c)(1) Not later than October 1 of each fiscal year,  
5       the head of each agency shall submit to the Secretary of  
6       the Treasury a report identifying the total savings  
7       achieved during the previous fiscal year through disclo-  
8       sures of possible fraud, waste, or mismanagement and  
9       identifications of surplus salaries and expenses funds by  
10      an employee.

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

14              “(A) describes each disclosure of possible fraud,  
15              waste, or mismanagement or identification of poten-  
16              tially surplus salaries and expenses funds by an em-  
17              ployee of the agency determined by the agency to  
18              have merit; and

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

21      “(3) The head of each agency shall include the infor-  
22      mation described in paragraphs (1) and (2) in each budget  
23      request of the agency submitted to the Office of Manage-  
24      ment and Budget as part of the preparation of the budget

1 of the President submitted to Congress under section  
2 1105(a) of title 31.

3 “(4) The Secretary of the Treasury shall submit to  
4 the Committee on Appropriations of the Senate, the Com-  
5 mittee on Appropriations of the House of Representatives,  
6 and the Government Accountability Office an annual re-  
7 port on Federal cost saving and awards based on the re-  
8 ports submitted under paragraphs (1) and (2).

9 “(f) The Director of the Office of Personnel Manage-  
10 ment shall—

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

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

16 “(g) Not later than 3 years after the date of enact-  
17 ment of the Bonuses for Cost-Cutters Act of 2016, and  
18 every 3 years thereafter, the Comptroller General of the  
19 United States shall submit to Congress a report on the  
20 operation of the cost savings and awards program under  
21 this section, including any recommendations for legislative  
22 changes.”.

23 (3) TECHNICAL AND CONFORMING AMEND-  
24 MENT.—The table of sections for subchapter II of  
25 chapter 45 of title 5, United States Code, is amend-

1 ed by striking the item relating to section 4511 and  
2 inserting the following:

“4511. Definitions and general provisions.”.

3 (b) OFFICERS ELIGIBLE FOR CASH AWARDS.—

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

6 “§ 4509. Prohibition of cash award to certain officers

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

9 “(1) has the meaning given that term under  
10 section 551(1); but

11 “(2) includes an entity described in subpara-  
12 graphs (A) through (G) of section 4501(1).

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

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

17 “(2) is the head of an agency; or

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

20 (2) TECHNICAL AND CONFORMING AMEND-  
21 MENT.—The table of sections for chapter 45 of title  
22 5, United States Code, is amended by striking the

- 1 item relating to section 4509 and inserting the fol-
- 2 lowing:

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

