

Calendar No. 164

111TH CONGRESS }
1st Session }

SENATE

{ REPORT
111-77

FEDERAL EXECUTIVE BOARD
AUTHORIZATION ACT OF 2009

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 806

TO PROVIDE FOR THE ESTABLISHMENT, ADMINISTRATION, AND
FUNDING OF FEDERAL EXECUTIVE BOARDS, AND FOR OTHER
PURPOSES



SEPTEMBER 22, 2009.—Ordered to be printed

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SEPTEMBER 22, 2009.—Ordered to be printed

Mr. LIEBERMAN, from the Committee on Homeland Security and
Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 806]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 806) to provide for the establishment, administration, and funding of Federal Executive Boards, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill do pass.

CONTENTS

	Page
I. Purpose and Summary	1
II. Background and Need for the Legislation	2
III. Legislative History	5
IV. Section-by-Section Analysis	5
V. Evaluation of Regulatory Impact	7
VI. Congressional Budget Office Cost Estimate	7
VII. Changes in Existing Law Made by the Bill, as Reported	9

I. PURPOSE AND SUMMARY

The purpose of S. 806 is to provide a statutory basis for the establishment, administration, and funding of FEBs. FEBs, which have existed for almost half a century under executive branch authority, provide a forum for federal agencies to coordinate their regional activities outside of Washington, DC. S. 806 would put their establishment and administration into statute and provide for a mechanism to fund them.

II. BACKGROUND AND NEED FOR THE LEGISLATION

In 1961, President Kennedy “directed the Chairman of the Civil Service Commission to arrange for the establishment of a Board of Federal Executives in each of the Commission’s administrative regions” to “provide means for closer coordination of Federal activities at the regional level.”¹ As a result, FEBs exist today as “a forum for communication and collaboration among Federal agencies outside of Washington, DC.”² FEBs are currently located in Atlanta, Baltimore, Boston, Buffalo, Chicago, Cincinnati, Cleveland, Dallas-Fort Worth, Denver, Detroit, Honolulu, Houston, Kansas City, Los Angeles, Minnesota, Newark, New Mexico, New Orleans, New York City, Oklahoma, Oregon, Philadelphia, Pittsburgh, St. Louis, San Antonio, San Francisco, Seattle and South Florida, and help to coordinate the efforts of the almost 90 percent of federal employees who work outside the Washington, D.C. area.³

FEBs are composed of the heads of federal agency field offices⁴ and are overseen by OPM⁵ in accordance with federal regulations.⁶ FEBs are generally staffed by one or two full-time personnel⁷ and are involved in disseminating information about federal initiatives; sharing knowledge and best practices; providing training and alternative dispute resolution consortiums; communicating hazardous weather conditions and leave policies for federal employees; and responding to blood donation needs.⁸ Such activities have saved the federal government time and money; FEB-led alternative dispute resolution of cases in fiscal year 2008 resulted in an estimated cost avoidance of more than \$20 million and FEB-provided training opportunities resulted in an estimated cost avoidance of more than \$8 million.⁹

FEBs’ work has also helped to prepare the federal workforce for emergencies; in fiscal year 2008 FEBs partnered with the Centers for Disease Control to provide briefings to federal, state and local communities on closed points of dispensing sites, which are public sites set up to dispense medication to employees in the event of a health emergency,¹⁰ and facilitated an emergency tabletop exercise to test agency continuity plans as well as evacuation, response and recovery procedures.¹¹ Additionally, as part of the federal government’s efforts relating to Hurricanes Gustav and Ike in 2008, FEBs communicated with federal field offices about the storms’ effects on agency readiness and operating status and provided guidance and assistance to such field offices to help them reconstitute following the storms.¹² According to Dennis W. Bruhl, the District Manager of the Social Security Administration in Covington, Louisiana, this assistance from FEBs “was invaluable” in that it “kept the lines of

¹ President John F. Kennedy, *Memorandum on the Need for Greater Coordination of Regional and Field Activities of the Government*, Nov. 14, 1961, p. 1.

² www.feb.gov.

³ *Id.*

⁴ U.S. Government Accountability Office, *The Federal Workforce, Additional Steps Needed to Take Advantage of Federal Executive Boards’ Ability to Contribute to Emergency Operations*, GAO-07-515, p. 7.

⁵ <http://www.feb.gov/overview.asp>.

⁶ 5 C.F.R. 960.

⁷ *Supra* n. 4 at 2.

⁸ <http://www.feb.gov/overview.asp>.

⁹ Federal Executive Board Network, *Fiscal Year 2008 Annual Report*, p. 16 (Apr. 2009).

¹⁰ *Id.* at p. 6.

¹¹ *Id.* at p. 7.

¹² *Id.* at p. 8.

communication open between Federal agencies serving New Orleans and the surrounding area, and . . . kept us all apprised of the latest information regarding the storm.”¹³

In 2004, the Government Accountability Office (GAO) released a report on the continuity of operations planning (COOP) in the federal sector, which recommended that OPM and the Federal Emergency Management Agency (FEMA) coordinate their efforts to improve guidance to federal agencies on emergency preparation and COOP.¹⁴ GAO observed that although FEBs are “not specifically tasked with coordinating emergency preparedness efforts, including COOP, FEBs are uniquely positioned to do so, given their general responsibility for improving coordination among federal activities in areas outside of Washington, D.C.”¹⁵ GAO recommended that OPM clearly define the role of FEBs in improving emergency preparedness coordination, including COOP, for areas outside of Washington, D.C.¹⁶

In 2007, GAO further reported on FEBs’ work in performing emergency activities that advance the missions of both FEBs and FEMA, as well as FEBs’ efforts to strengthen management practices, improve intergovernmental communication and participate in local affairs.¹⁷ GAO believed that FEBs could be “a particularly valuable asset in pandemic preparedness and response” because “[w]ith the greatest burden of pandemic response resting on the local communities, the FEBs’ outreach and their ability to coordinate across organizations suggest that they may be an important resource in preparing for and responding to a pandemic.”¹⁸

However, GAO also noted that “FEBs have no congressional charter and . . . rely on voluntary contributions from their member agencies” to fund their activities.¹⁹ GAO found that this uncertainty of FEB funding impacts FEBs’ “ability to plan for and commit to providing emergency support services” and recommended that OPM “develop a proposal to address the uncertainty of funding sources for” FEBs.²⁰

At a 2007 hearing to review GAO’s findings and recommendations, OPM Associate Director Kevin Mahoney noted the important role FEBs play in building understanding and teamwork among federal agencies in the field, ensuring the security and safety of the federal workforce and contributing to emergency preparedness.²¹ Associate Director Mahoney specifically testified about the key role the New Orleans FEB played during Hurricane Katrina, which included coordinating with OPM and FEMA to communicate issues of concern regarding the federal workforce; organizing conference calls among agency executives to share federal workforce information to and from Washington, D.C.; and helping to identify the

¹³*Id.* at p. 9.

¹⁴U.S. Government Accountability Office, *Human Capital, Opportunities to Improve Federal Continuity Planning Guidance*, GAO-04-384, pp. 4-5.

¹⁵*Id.* at Highlights Page.

¹⁶*Id.* at 27.

¹⁷*Supra* n. 4, Highlights Page.

¹⁸*Id.*

¹⁹*Id.*

²⁰*Id.*

²¹Senate Homeland Security and Governmental Affairs Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia Hearing on The Role of Federal Executive Boards in Pandemic Preparedness, S. Hrg. 110-451 (Sept. 28, 2007), p. 5.

needs and the status of local federal workers and their families.²² FEMA Regional Director Art Cleaves similarly testified about FEBS' role as a "critical part of preparedness in response, recovery, mitigation, and in particular continuity of operations and continuity of government."²³ Also at the hearing, GAO Director of Strategic Issues Bernice Steinhardt again highlighted the need for OPM to address FEBS' funding uncertainties.²⁴

Thereafter, OPM submitted a legislative proposal to the Senate entitled "Federal Executive Board Authorization Act of 2008."²⁵ S. 806 is based on that proposal. It statutorily authorizes the establishment of FEBS and provides for their management by OPM. It also provides for interagency funding for FEBS.

Specifically, S. 806 calls on the Director of OPM to determine where to establish FEBS and requires the Director to consult with agencies in making that determination. It leaves in place those FEBS OPM already had created before the enactment of the bill, and subjects them to the law's new provisions. The bill also states that FEBS shall consist of senior officials from appropriate agencies in FEB areas. Additionally, S. 806 authorizes the Director of OPM to establish staffing policies for FEBS; designate an agency to staff each FEB; and establish communications policies, performance standards, and accountability initiatives for FEBS.

S. 806 also requires each FEB to adopt by-laws or other rules for its internal governance; elect a Chairman from among its members; provide a forum for the exchange of information; and develop coordinated approaches to the development and operation of programs that have common characteristics. Additionally, FEBS would be required to communicate management initiatives and other concerns from Washington, D.C. to the field and develop relationships with state and local governments and private sector organizations.

Lastly, S. 806 provides for a steady funding stream for FEBS to address the concerns raised by GAO in its 2007 report and at the 2007 hearing. More specifically, S. 806 establishes a fund for FEB staffing and operating expenses, which would be administered by OPM and would consist of contributions from each agency participating in FEBS. Agency contributions would be determined by a formula established by the Director of OPM in consultation with participating agencies and the Office of Management and Budget. That formula must take into account each agency's number of employees in areas served by FEBS. S. 806 also requires OPM to pay for its own administrative and oversight activities relating to FEBS.

On July 28, 2009, OPM Director John Berry expressed support for S. 806, writing, "the stability of an express statutory authority as provided by S. 806 can only enhance the capabilities of [FEBS] to contribute to the coordination and operation of Federal programs in meaningful ways."²⁶

²² *Id.*

²³ *Id.* at 7.

²⁴ *Id.* at 4.

²⁵ Michael W. Hager, Office of Personnel Management Acting Director, letter to the Honorable Richard Cheney, President of the Senate, November 19, 2008.

²⁶ John Berry, Office of Personnel Management Director, letter to the Honorable George V. Voinovich, Ranking Member, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, July 28, 2009.

III. LEGISLATIVE HISTORY

On April 2, 2009, S. 806 was introduced by Senator George V. Voinovich and was referred to the Committee on Homeland Security and Governmental Affairs. Senators Daniel K. Akaka and Mary L. Landrieu are cosponsors of the legislation.

On July 29, 2009, the Committee on Homeland Security and Governmental Affairs ordered S. 806, as amended by a Voinovich-Akaka substitute amendment, reported favorably by voice vote. The Voinovich-Akaka amendment makes technical changes to S. 806 based on guidance from OPM and FEMA, and also requires OPM to report to Congress on costs associated with essential FEB functions, including basic staffing and operating expenses. The members present were Chairman Lieberman and Senators Akaka, Carper, Pryor, Landrieu, McCaskill, and Burris; Ranking Minority Member Collins and Senators Coburn and Voinovich.

IV. SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This section establishes the title of the act as the “Federal Executive Board Authorization Act of 2009.”

Section 2. Federal Executive Boards

This section adds a new section 1106 to title 5 of the United States Code entitled “Federal Executive Boards.”

The new section 1106(a) describes the section’s purposes as to strengthen the coordination of federal government activities, facilitate interagency collaboration to improve the efficiency and effectiveness of federal programs, facilitate communication and collaboration on federal activities outside the Washington, D.C. area, and provide stable funding for FEBs.

A new section 1106(b) defines “agency” as an Executive agency as defined in 5 U.S.C. 105, but excluding GAO, and “Director” as the Director of OPM. Section 1106(b) also defines a “Federal Executive Board” as an interagency entity established by the Director of OPM, in consultation with the headquarters of appropriate federal agencies, in an area with a high concentration of federal employees outside the Washington, D.C. area whose purpose is to strengthen the management and administration of federal activities and coordination among local federal offices to implement national initiatives in that area.

In addition, a new section 1106(c) authorizes FEBs by requiring the Director of OPM to establish FEBs in areas outside the Washington, D.C. area. It does not require the re-establishment of FEBs previously created by the OPM Director. Section 1106(c) provides that each FEB shall consist of appropriate senior officers for each agency in the FEB’s area who may designate another senior officer in the agency as an alternate representative to attend meetings and otherwise represent the agency on the FEB. To ensure that FEBs are not unnecessarily created, the new section 1106(c) also provides that in determining the locations of FEBs, the Director of OPM must consider whether an FEB exists in the area on the date of enactment of S. 806, whether a geographic area has a strong, viable, and active Federal Executive Association that petitions OPM to become an FEB, and such other factors as the Director of

OPM and the headquarters of appropriate agencies consider relevant. Further, the section requires the Director of OPM to consult with the headquarters of appropriate agencies before establishing FEBs that are not in existence on the date of enactment of S. 806.

A new section 1106(d) provides for the administration and oversight of FEBs by the Director of OPM. Specifically, the Director of OPM is tasked with establishing staffing policies for FEBs in consultation with the headquarters of agencies participating in FEBs; designating an agency to staff each FEB based on recommendations from that FEB; establishing communications policies for dissemination of information to federal agencies; establishing performance standards for FEB staff in consultation with the headquarters of appropriate agencies; developing accountability initiatives to ensure FEBs are meeting performance standards; and administering FEB funding. To provide for continuity of staffing at existing FEBs, section 1106(d) also provides that in making staffing designations, the Director of OPM must give preference to agencies already staffing FEBs.

Section 1106(e) is added to set forth the governance and activities of FEBs, similar to current provisions in the Code of Federal Regulations governing FEBs, including the requirements that each FEB adopt by-laws or other internal governance rules that are approved by the Director of OPM and elect a Chairperson from among its members to serve a set term. Also consistent with the Code of Federal Regulations, Section 1106(e) provides that FEBs are to serve as instruments of outreach for the national headquarters of agencies relating to agency activities in the FEB's area; provide a forum for the exchange of information between the national headquarters of agencies and the field and among field elements in the FEB's area; develop coordinated approaches to the development and operation of programs in the FEB's area that have common characteristics; communicate management initiatives and other concerns from federal officers and employees in the Washington, D.C. area to federal officers and employees in the FEB's area; develop relationships with state and local governments and nongovernmental organizations to help coordinate agency outreach; and take other actions agreed to between the FEB and the Director of OPM.

In new Section 1106(f), the Director of OPM is directed to establish a fund at OPM to finance essential FEB functions, including basic staffing and operating expenses for each FEB. The Director of OPM is precluded from using monies in the fund to finance OPM's costs relating to its administration and oversight of FEBs and instead must pay such costs from its direct appropriations. Section 1106(f) provides that each agency participating in FEBs must contribute to the fund in amounts determined by a formula established by the Director of OPM in consultation with the headquarters of contributing agencies and the Office of Management and Budget; specifies that such formula must consider the number of employees in each agency in all geographic areas served by FEBs; and ensures that each agency's contribution to the fund is recalculated at least every two years to account for changes in staffing levels at any given agency in any given area. Additionally, section 1106(f) gives the Director of OPM the discretion to accept in-kind contributions from agencies in lieu of monetary contribu-

tions to the FEB fund, such as contributions of office space from the General Services Administration. Pursuant to section 1106(f), any unobligated and unexpended balances in the fund that are in excess of amounts needed for essential FEB staffing and operating expenses are to be allocated by the Director of OPM to FEBs for authorized activities and other priorities such as conducting training; such monies must be allocated in consultation with the headquarters of agencies participating in FEBs.

New section 1106(g) requires the Director of OPM to report annually to Congress and federal agencies about FEB programs and budgets.

Also, a new section 1106(h) requires the Director of OPM to prescribe regulations to carry out section 1106.

In addition, this section requires the Director of OPM to submit a report to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives within 60 days of enactment of S. 806. That report must include a description of essential FEB functions, details of basic staffing requirements for each FEB, estimates of basic staffing and operating expenses for each FEB, and a comparison of basic staffing and operating expenses for FEBs operating before and after enactment of S. 806. The Committee expects that this report will indicate that OPM proposes staffing each FEB with two full time employees and providing an annual operating budget of \$50,000 for each FEB. The Committee anticipates that the costs of operating FEBs before and after enactment of this Act will be very similar.

Lastly, this section makes technical and conforming amendments to the table of sections for chapter 11 of title 5 of the United States Code.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirement of paragraph 11(b)(1) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill. The Congressional Budget Office (CBO) states that there are no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and no costs on State, local, or tribal governments. The legislation contains no other regulatory impact.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

AUGUST 7, 2009.

Hon. JOSEPH I. LIEBERMAN,
Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 806, the Federal Executive Board Authorization Act of 2009.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact for this estimate is Matthew Pickford.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

S. 806—Federal Executive Board Authorization Act of 2009

Summary: S. 806 would authorize the Office of Personnel Management (OPM) to establish Federal Executive Boards (FEBs) to coordinate government activities outside the Washington, D.C., metropolitan area. Individual agencies that participate in the program would be required to make contributions to a fund established in the bill to cover the costs of FEB operations.

CBO estimates that implementing this legislation would cost about \$2 million in 2010 and \$14 million over the 2010–2014 period, assuming appropriation of the necessary amounts. In addition, S. 806 could affect off-budget discretionary spending by the Social Security Administration, but we estimate that any increase would be less than \$500,000 in any year and over the 2010–2014 period.

CBO estimates that any impact on direct spending from enacting S. 806 would be negligible. The bill would not affect revenues.

S. 806 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 806 is shown in the following table. The costs of this legislation fall within budget function 800 (general government) and any budget function that contains a salaries and expense account for an agency participating in the FEB program.

	By fiscal year, in millions of dollars—					
	2010	2011	2012	2013	2014	2010–2014
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	2	3	3	3	3	14
Estimated Outlays	2	3	3	3	3	14

Basis of estimate: For this estimate, CBO assumes that S. 806 will be enacted near the beginning of fiscal year 2010 and that spending will follow historical patterns for similar programs.

Federal Executive Boards were established by Presidential Directive in 1961 to improve cooperation and communication among federal agencies for activities outside of Washington, D.C. OPM is responsible for the organizational and programmatic activities of 28 FEBs located in areas with significant numbers of federal employees. The FEBs receive no specific appropriation but are funded by their local host agency or department. The program cost \$5 million in 2008.

S. 806 would establish statutory authority for the FEB program and change the way the boards are administered and funded. The bill would create uniform staffing and reporting requirements for all FEBs; currently, each board is staffed differently based on funding made available by its host agency. The legislation also would require participating agencies to make contributions to a new fund established to cover the costs of each FEB. Contributions would be determined by a formula based on the number of federal employees each agency has in an area served by an FEB.

Based on information from OPM regarding the current costs of operating FEBs and the new staffing and administrative requirements under S. 806, CBO estimates that implementing S. 806

would cost an additional \$2 million in 2010 and \$14 million over the 2010–2014 period.

Enacting the bill also could affect direct spending by agencies not funded through annual appropriations (such as the Tennessee Valley Authority or the U.S. Postal Service). CBO estimates, however, that any increase in spending by those agencies would not be significant or would be offset by corresponding increases in rates charged by those entities.

Intergovernmental and private-sector mandates: S. 806 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

Estimate prepared by: Federal Spending: Matthew Pickford; Impact on State, Local, and Tribal Governments: Elizabeth Cove Delisle; Impact on the Private Sector: Paige Piper/Bach.

Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the following changes in existing law made by the bill, as reported, are shown as follows: (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

UNITED STATES CODE

TITLE 5. GOVERNMENT ORGANIZATION AND EMPLOYEES

PART II. CIVIL SERVICE FUNCTIONS AND RESPONSIBILITIES

CHAPTER 11. OFFICE OF PERSONNEL MANAGEMENT

SEC.

* * * * *

1106. Federal Executive Boards.

* * * * *

SEC. 1106. FEDERAL EXECUTIVE BOARDS.

(a) *PURPOSES.*—*The purposes of this section are to—*

- (1) *strengthen the coordination of Government activities;*
- (2) *facilitate interagency collaboration to improve the efficiency and effectiveness of Federal programs;*
- (3) *facilitate communication and collaboration on Federal activities outside the Washington, D.C. metropolitan area; and*
- (4) *provide stable funding for Federal Executive Boards.*

(b) *DEFINITIONS.*—*In this section:*

- (1) *AGENCY.*—*The term ‘agency’—*
 - (A) *means an Executive agency as defined under section 105; and*

(B) shall not include the Government Accountability Office.

(2) *DIRECTOR.*—The term ‘Director’ means the Director of the Office of Personnel Management.

(3) *FEDERAL EXECUTIVE BOARD.*—The term ‘Federal Executive Board’ means an interagency entity established by the Director, in consultation with the headquarters of appropriate agencies, in a geographic area with a high concentration of Federal employees outside the Washington, D.C. metropolitan area to strengthen the management and administration of agency activities and coordination among local Federal officers to implement national initiatives in that geographic area.

(c) *ESTABLISHMENT.*—

(1) *IN GENERAL.*—The Director shall establish Federal Executive Boards in geographic areas outside the Washington, D.C. metropolitan area. Before establishing Federal Executive Boards that are not in existence on the date of enactment of this section, the Director shall consult with the headquarters of appropriate agencies to determine the number and location of the Federal Executive Boards.

(2) *MEMBERSHIP.*—Each Federal Executive Board for a geographic area shall consist of an appropriate senior officer for each agency in that geographic area. The appropriate senior officer may designate, by title of office, an alternate representative who shall attend meetings and otherwise represent the agency on the Federal Executive Board in the absence of the appropriate senior officer. An alternate representative shall be a senior officer in the agency.

(3) *LOCATION OF FEDERAL EXECUTIVE BOARDS.*—In determining the location for the establishment of Federal Executive Boards, the Director shall consider—

(A) whether a Federal Executive Board exists in a geographic area on the date of enactment of this section;

(B) whether a geographic area has a strong, viable, and active Federal Executive Association;

(C) whether the Federal Executive Association of a geographic area petitions the Director to become a Federal Executive Board; and

(D) such other factors as the Director and the headquarters of appropriate agencies consider relevant.

(d) *ADMINISTRATION AND OVERSIGHT.*—

(1) *IN GENERAL.*—The Director shall provide for the administration and oversight of Federal Executive Boards, including—

(A) establishing staffing policies in consultation with the headquarters of agencies participating in Federal Executive Boards;

(B) designating an agency to staff each Federal Executive Board based on recommendations from that Federal Executive Board;

(C) establishing communications policies for the dissemination of information to agencies;

(D) in consultation with the headquarters of appropriate agencies, establishing performance standards for the Federal Executive Board staff;

(E) developing accountability initiatives to ensure Federal Executive Boards are meeting performance standards; and
 (F) administering Federal Executive Board funding through the fund established in subsection (f).

(2) STAFFING.—In making designations under paragraph (1)(B), the Director shall give preference to agencies staffing Federal Executive Boards.

(e) GOVERNANCE AND ACTIVITIES.—Each Federal Executive Board shall—

(1) subject to the approval of the Director, adopt by-laws or other rules for the internal governance of the Federal Executive Board;

(2) elect a Chairperson from among the members of the Federal Executive Board, who shall serve for a set term;

(3) serve as an instrument of outreach for the national headquarters of agencies relating to agency activities in the geographic area;

(4) provide a forum for the exchange of information relating to programs and management methods and problems—

(A) between the national headquarters of agencies and the field; and

(B) among field elements in the geographic area;

(5) develop local coordinated approaches to the development and operation of programs that have common characteristics;

(6) communicate management initiatives and other concerns from Federal officers and employees in the Washington, D.C. area to Federal officers and employees in the geographic area to achieve better mutual understanding and support;

(7) develop relationships with State and local governments and nongovernmental organizations to help in coordinating agency outreach; and

(8) take other actions as agreed to by the Federal Executive Board and the Director.

(f) FUNDING.—

(1) ESTABLISHMENT OF FUND.—The Director shall establish a fund within the Office of Personnel Management for financing essential Federal Executive Board functions—

(A) including basic staffing and operating expenses; and

(B) excluding the costs of the Office of Personnel Management relating to administrative and oversight activities conducted under subsection (d).

(2) DEPOSITS.—There shall be deposited in the fund established under paragraph (1) contributions from the headquarters of each agency participating in Federal Executive Boards, in an amount determined by a formula established by the Director, in consultation with the headquarters of such agencies and the Office of Management and Budget.

(3) CONTRIBUTIONS.—

(A) FORMULA.—The formula for contributions established by the Director shall consider the number of employees in each agency in all geographic areas served by Federal Executive Boards. The contribution of the headquarters of each agency to the fund shall be recalculated at least every 2 years.

(B) *IN-KIND CONTRIBUTIONS.*—At the sole discretion of the Director, the headquarters of an agency may provide in-kind contributions instead of providing monetary contributions to the fund.

(4) *USE OF EXCESS AMOUNTS.*—Any unobligated and unexpended balances in the fund which the Director determines to be in excess of amounts needed for essential Federal Executive Board functions shall be allocated by the Director, in consultation with the headquarters of agencies participating in Federal Executive Boards, among the Federal Executive Boards for the activities under subsection (e) and other priorities, such as conducting training.

(5) *ADMINISTRATIVE AND OVERSIGHT COSTS.*—The Office of Personnel Management shall pay for costs relating to administrative and oversight activities conducted under subsection (d) from appropriations made available to the Office of Personnel Management.

(g) *REPORTS.*—The Director shall submit annual reports to Congress and agencies on Federal Executive Board program outcomes and budget matters.

(h) *REGULATIONS.*—The Director shall prescribe regulations necessary to carry out this section.

