

EDO Principal Correspondence Control

FROM: DUE: 08/29/01 EDO CONTROL: G20010350
DOC DT: 08/08/01
FINAL REPLY:

Carol A. Bonosaro
G. Jerry Shaw
Senior Executives Association

TO:

Chairman Meserve

FOR SIGNATURE OF : ** PRI ** CRC NO: 01-0409

Chairman Meserve

DESC:

ROUTING:

Legislation to Relieve Pay Compression for the
Senior Executive Service and Other Federal
Executives

Travers
Paperiello
Kane
Norry
Craig
Burns
Funches, CFO
Cyr, OGC

DATE: 08/21/01

ASSIGNED TO: CONTACT:

HR

Bird

SPECIAL INSTRUCTIONS OR REMARKS:

Template: SECY-017

E-RIDS: SECY-01

OFFICE OF THE SECRETARY
CORRESPONDENCE CONTROL TICKET

EDO.

Date Printed: Aug 21, 2001 11:04

PAPER NUMBER: LTR-01-0409 **LOGGING DATE:** 08/15/2001
ACTION OFFICE: EDO ✓

AUTHOR: Carol Bonosaro (SEA)
AFFILIATION: DC
ADDRESSEE: CHRM Richard Meserve
SUBJECT: Concerns Legislation to relieve pay compression for the Senior Executive Service and other Federal executives

ACTION: Signature of Chairman
DISTRIBUTION: RF

LETTER DATE: 08/08/2001
ACKNOWLEDGED No
SPECIAL HANDLING: # 7222... SECY to Ack

NOTES:
FILE LOCATION: ADAMS Accession No.: ML012320466/Pkg, ML012320292/Incoming ✓

DATE DUE: 09/04/2001 **DATE SIGNED:**

EDO --G20010350



August 8, 2001

The Honorable Richard A. Meserve
Chairman
Nuclear Regulatory Commission
Washington, DC 20555

Re: Legislation to relieve pay compression for the Senior Executive Service and other federal executives

Dear Chairman Meserve:

The Senior Executives Association (SEA) represents the interests of career federal executives in the government, including those in the Senior Executive Service (SES) and in equivalent positions, such as Senior Level and Senior Technical employees and Boards of Contract Appeals Judges.

We are writing to ask your support of legislation that would alleviate the severe pay compression affecting senior executives, legislation that is crucial to addressing the current government-wide crisis in agencies' ability to retain and recruit career senior executives.

The problem of pay compression has reached a critical juncture. Most career SES employees have received only an average annual increase of 1 percent over the last 8 years, while General Schedule (GS) employees have received 20 percent over the same period. Because of pay freezes over the last eight years and the statutory cap on Senior Executive pay, almost 60 percent of career senior executives now earn essentially the same salary, despite sometimes large differences in levels of responsibility.

In addition, over 70 percent of the entire SES corps will be eligible to retire over the next four years. A high percentage of those retirement-eligible Senior Executives will retire because, based on the experience of the past 8 years, they can expect to receive greater increases in the cost of living adjustments on their retirement annuities (the COLA has averaged 2.5 percent over the past 8 years) than in their pay as career executives (which has averaged only 1 percent over the same time period). This is money out of their pocket in retirement benefits for each year they continue in Federal service.

The enclosed fact sheet and commentary article detail how the pay compression relief legislation, S. 1129 and H.R. 1824 (copies also enclosed), would alleviate the severe pay compression affecting members of the SES and other senior-level Federal employees. Severe pay compression is more than a theoretical "crisis in human capital," but a very real problem that poses a threat to mission-critical programs and operations, in addition to eroding the morale of our nation's top career public servants.

The Honorable Richard A. Meserve
August 8, 2001
Page Two

The Senior Executives Association urges you to contact the Director of the Office of Personnel Management, the Director of the Office of Management and Budget, and the Secretary of the Cabinet, and let them know that you and your agency support S. 1129 and H.R. 1824. If you or your staff have any questions, please contact SEA at (202) 927-7000. Thank you for your consideration.

Sincerely,



CAROL A. BONOSARO
President



G. JERRY SHAW
General Counsel

Enclosures



Executive Pay Legislation

- **Executive Schedule (ES) pay has been frozen:** Executive Schedule pay has been frozen five of the last eight years and is lagging far behind annual General Schedule raises, with Executive Schedule pay rising a total of 8.6% from 1994-2001, while General Schedule pay rose a total of 20% over that same period.
- **The cap on SES pay has caused severe pay compression in the SES:** Career Senior Executive Service (SES) pay is capped at Executive Level IV for base pay, and Executive Level III for locality pay. Due to Executive Schedule pay freezes, career SES pay, which ranges from ES-1 to ES-6, is highly compressed. Currently, the top three SES pay levels receive approximately the same base pay, with ES-5 and ES-6 receiving the same and ES-4 close behind.
- **As a result, about 60 percent of all Senior Executives earn the same pay:** In 1994, pay at the ES-6 level was capped in one locality. After six years of pay freezes, ES-4, ES-5 and ES-6 are all now at the cap (\$133,700). In eight localities, ES-3 employees are at the cap as well.
- **Recruitment and retention problem:** As a result, many Federal agencies are experiencing difficulty recruiting and retaining senior executives, and some of the best and the brightest career executives have refused to accept promotions to the next higher level, stating they do not want the additional responsibility or additional post-employment restrictions, without any additional pay.
- **The current pay freeze encourages early/immediate retirement by eligible SESers:** The average COLA adjustment on retirement annuities has been higher than SES average pay increases over the last 8 years, thus encouraging executives to retire.
- **More than one-half of the SES will be eligible to retire over the next four years:** Compounding the problem caused by pay compression is the fact that more than half of all current senior executives are eligible for retirement within the next four years. In some agencies, the number is as high as 70%. This bill would help alleviate the pay compression problem, which in turn should help slow the exodus of career senior executives.
- **Public/private sector pay gap:** According to a CBO report dated November 1999, on average, executives in medium-sized private firms make \$221,200 in salary and bonuses, while career SES in comparable positions make \$120,300, or 46% less than the private sector executives. When benefits are included, the private-sector executive makes on average \$282,300 annually, while the career SES makes \$169,000, or 40% less.
- **What the executive pay legislation will do:** The bill will (1) raise the pay cap for SES base pay from Executive Level IV to Executive Level III; (2) extend locality pay to the Executive Schedule; (3) raise the pay cap for SES base pay plus locality pay to Executive Level III plus locality pay; and (4) raise the overall cap on SES compensation (including awards and bonuses) from Executive Level I to the Vice Presidential level.



COMMENTARY

CAROL BONOSARO

Executives and Government Lose Under Pay Caps

Those who are drawn to public-service careers know they will pay a price. They will never enjoy the perks and financial rewards they could expect in the private sector, particularly at the upper echelons. But the price has become prohibitive of late, and career senior executives are hard-pressed to explain to their families why they remain, other than for the psychic reward of knowing they are doing the most important work in the nation.

Imagine if federal employees at the General Schedule-12, -13 and -14 levels were all paid the same. Unthinkable, isn't it? For 60 percent of those in the Senior Executive Service, that is exactly the situation they face. For the third year, those serving in the top three of the six SES ranks make the same base pay, capped at the statutory maximum, called Executive Level or EL-IV.

The situation is no different once locality pay adjustments are applied. Pay for the top three ranks — ES-4, -5, and -6 — in all 32 localities also is capped at the statutory maximum, EL-III. In eight localities, the cap has filtered down to those in ES-3, and, in San Francisco and Houston, ES-2s

are within a few hundred dollars of the cap.

For the last decade, career executives have been exhorted to provide the leadership to reform government and to operate in a more businesslike, customer-oriented fashion. Indeed, the federal government often has looked to the private sector for best practices. By no stretch of the imagination would any successful business operate like this. Private-sector executives who are aware of the pay compression within the SES view it as deplorable and worry about what will happen to the quality of the executive corps if this situation continues much longer.

How did this happen? Congress froze Executive Schedule pay in five of the last eight years. Thus, the SES base and locality pay caps were held level, precluding the president, who sets SES pay within a statutory minimum and maximum, from relieving the steadily building compression. At the same time, the General Schedule received regular national comparability raises and locality adjustments.

While there was debate each year over the appropriate amount of the raise, at least the Federal Employees Pay Comparability Act was opera-

The government cannot afford to lose many more talented, accomplished, able executives who retire as soon as they are eligible.

tive. Not so the mechanism adopted by Congress in 1989 to adjust Executive Schedule pay automatically each year by a similar formula based on the Employment Cost Index. Rather than let the modest, automatic adjustments take effect, lawmakers chose to freeze their pay, along with that of all others whose pay is set by the Executive Schedule.

Apart from the demoralizing pay compression, these freezes have wrought unabated pressure from agencies for special pay authorities. Some have succeeded, and the career executive service — intended to be a government-wide system that, among other objectives, would encourage mobility — is becoming increasingly fragmented. The IRS has authority to pay 40 executives salaries equaling that of the vice president. The National Institutes of

Health has established the Senior Biomedical Research Service with a salary range up to that of a Cabinet secretary, EL-I, \$161,200. The Federal Aviation Administration has created its own executive service and plans to pay executives up to EL-II with incentive programs of no fixed cap.

It makes no sense to continue to address the pay problem by bouncing from one agency to another and from one occupation to another, creating a crazy quilt of systems over which oversight will become increasingly difficult.

Fortunately, the Senior Executives Association has found a sympathetic ear on Capitol Hill. Rep. Tom Davis, R-Va., introduced HR 1824 to resolve this problem. Very simply, the bill would raise the statutory caps for SES pay — from EL-IV to EL-III for base pay, and, for locality pay, from EL-III to EL-III plus locality pay. If enacted, the president would then have the latitude to restore some distance between the six SES ranks.

There is only one other way to solve this problem: Enact a substantial catch-up raise for Executive Schedule pay, similar to that which occurred in 1989. Most lawmakers, however, would find such a propos-

al politically toxic. While SEA believes members of Congress deserve to take — and should take — regular cost-of-living adjustments, the only reason the substantial 1989 raise occurred was in exchange for ceasing to accept honoraria. So the Davis bill is the only viable solution to a critical problem.

The SEA was founded in response to two problems — broken promises to those converting from super grade GS positions to the SES and severe pay compression. Twenty-one years later, we are, regrettably, back where we started. But we have had to return to this issue over and over through the years. Eventually, we always have been successful. We hope, with the help of Davis, to be successful again.

The government cannot afford to lose many more talented, accomplished, able executives who retire as soon as they are eligible — 71 percent will be eligible by the end of fiscal 2005 — because they see no end in sight to pay compression and can no longer justify depriving their families of the rewards of private-sector compensation.

Carol Bonosaro is president of the Senior Executives Association.

107TH CONGRESS
1ST SESSION

S. 1129

IN THE SENATE OF THE UNITED STATES

Mr. WARNER introduced the following bill; which was read twice and referred
to the Committee on _____

A BILL

To increase the rate of pay for certain offices and positions
within the executive and judicial branches of the Govern-
ment, respectively, 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. PROVISIONS RELATING TO CERTAIN OFFICES**
4 **AND POSITIONS WITHIN THE EXECUTIVE**
5 **BRANCH.**

6 (a) **EXECUTIVE SCHEDULE PAY RATES.—**

7 (1) **IN GENERAL.—**Section 5318 of title 5,
8 United States Code, is amended—

1 (A) by redesignating subsection (a) as sub-
2 section (a)(1) and subsection (b) as paragraph
3 (2); and

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

5 “(b)(1)(A) Effective at the beginning of the first ap-
6 plicable pay period commencing on or after the first day
7 of the month in which any comparability payment becomes
8 payable under section 5304 or 5304a with respect to Gen-
9 eral Schedule employees within the District of Columbia
10 during any year, the annual rate of pay for positions at
11 each level of the Executive Schedule (exclusive of any pre-
12 vious adjustment under this subsection) shall be adjusted
13 by an amount, rounded to the nearest multiple of \$100
14 (or if midway between multiples of \$100, to the next high-
15 est multiple of \$100) equal to the percentage of such an-
16 nual rate of pay which corresponds to the percentage ad-
17 justment becoming so payable with respect to General
18 Schedule employees within the District of Columbia under
19 such section 5304 or 5304a (as applicable).

20 “(B) If an adjustment under this subsection is sched-
21 uled to take effect on the same date as an adjustment
22 under subsection (a), the adjustment under subsection (a) _
23 shall be made first.

24 “(2) An annual rate of pay, as adjusted under para-
25 graph (1), shall for all purposes be treated as the annual

1 rate of pay for the positions involved, except as otherwise
2 provided in subsection (a), paragraph (1), or any other
3 provision of law.

4 “(3) Nothing in this subsection shall be considered
5 to permit or require the continuation of an adjustment
6 under paragraph (1) after the comparability payment (for
7 General Schedule employees within the District of Colum-
8 bia) on which it was based has been terminated or super-
9 seded.”.

10 (2) CONTRACT APPEALS BOARD MEMBERS.—

11 Section 5372a of title 5, United States Code, is
12 amended—

13 (A) in subsection (b)(2) by striking “97
14 percent of the rate under paragraph (1)” and
15 inserting “no less than 97 percent of the rate
16 under paragraph (1)”;

17 (B) in subsection (b)(3) by striking “94
18 percent of the rate under paragraph (1)” and
19 inserting “no less than 94 percent of the rate
20 under paragraph (1)”; and

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

22 “(d) Subject to subsection (b), effective at the begin-
23 ning of the first applicable pay period commencing on or
24 after the first day of the month in which an adjustment
25 takes effect under section 5303 in the rates of basic pay

1 under the General Schedule, each rate of basic pay for
2 contract appeals board members shall be adjusted by an
3 amount determined by the President to be appropriate.”.

4 (3) CONFORMING AMENDMENTS.—Section 5318
5 of title 5, United States Code, is amended—

6 (A) in the first sentence of subsection
7 (a)(1) (as redesignated)—

8 (i) by striking “Subject to subsection
9 (b),” and inserting “Subject to paragraph
10 (2),”; and

11 (ii) by inserting “(exclusive of any
12 previous adjustment under subsection (b))”
13 after “Executive Schedule”; and

14 (B) in subsection (a)(2) (as redesignated),
15 by striking “subsection (a)” and inserting
16 “paragraph (1)”.

17 (b) AMENDMENTS RELATING TO CERTAIN LIMITA-
18 TION AND OTHER PROVISIONS.—

19 (1) PROVISIONS TO BE APPLIED BY EXCLUDING
20 EXECUTIVE SCHEDULE COMPARABILITY ADJUST-
21 MENT.—Sections 5303(f), 5304(h)(1)(F), 5306(e),
22 and 5373(a) of title 5, United States Code, are each
23 amended by inserting “, exclusive of any adjustment
24 under section 5318(b)” after “Executive Schedule”.

1 (2) LIMITATION ON CERTAIN PAYMENTS.—Sec-
2 tion 5307(a) of title 5, United States Code, is
3 amended by adding at the end the following:

4 “(3) In the case of an employee who is receiving basic
5 pay under section 5372a, 5376, or 5383, paragraph (1)
6 shall be applied by substituting ‘the annual rate of salary
7 of the Vice President of the United States’ for ‘the annual
8 rate of basic pay payable for level I of the Executive
9 Schedule’. Regulations under subsection (c) may extend
10 the application of the preceding sentence to other equiva-
11 lent categories of employees.”.

12 (3) REFERENCES TO LEVEL IV OF THE EXECU-
13 TIVE SCHEDULE.—Sections 5372(b)(1)(C),
14 5372a(b)(1), 5376(b)(1)(B), and 5382(b) of title 5,
15 United States Code, are each amended by striking
16 “level IV” each place it appears and inserting “level
17 III”.

18 **SEC. 2. PROVISIONS RELATING TO CERTAIN OFFICES AND**
19 **POSITIONS WITHIN THE JUDICIAL BRANCH.**

20 (a) INCREASE IN MAXIMUM RATES OF BASIC PAY
21 ALLOWABLE.—

22 (1) FOR POSITIONS COVERED BY SECTION —
23 604(a)(5) OF TITLE 28, UNITED STATES CODE.—Sec-
24 tion 604(a)(5) of title 28, United States Code, is
25 amended by striking “by law” and inserting “by law

(except that the rate of basic pay fixed under this paragraph for any such employee may not exceed the rate for level IV of the Executive Schedule)".

(2) FOR CIRCUIT EXECUTIVES.—Section 332(f)(1) of title 28, United States Code, is amended by striking "level IV of the Executive Schedule pay rates under section 5315" and inserting "level III of the Executive Schedule pay rates under section 5314".

(3) FOR PERSONNEL OF THE ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS.—

(A) IN GENERAL.—Section 3(a) of the Administrative Office of the United States Courts Personnel Act of 1990 (28 U.S.C. 602 note) is amended—

(i) in paragraph (1), by striking "level V" and inserting "level IV"; and

(ii) in paragraph (10), by striking "level IV" and inserting "level III".

(B) PROVISIONS RELATING TO CERTAIN ADDITIONAL POSITIONS.—Section 603 of title 28, United States Code, is amended by striking "level IV of the Executive Schedule under section 5315" and inserting "level III of the Executive Schedule under section 5314".

1 (b) SALARY OF THE DIRECTOR OF THE ADMINISTRA-
2 TIVE OFFICE OF THE UNITED STATES COURTS.—Section
3 603 of title 28, United States Code, is amended by strik-
4 ing “district” and inserting “circuit”.

5 **SEC. 3. EFFECTIVE DATE.**

6 The amendments made by this Act shall be effective
7 with respect to pay periods beginning on or after the date
8 of enactment of this Act.

.....
(Original Signature of Member)

107TH CONGRESS
1ST SESSION

H. R. 1824

IN THE HOUSE OF REPRESENTATIVES

Mr. THOMAS M. DAVIS of Virginia introduced the following bill; which was
referred to the Committee on _____

A BILL

To increase the rate of pay for certain offices and positions
within the executive and judicial branches of the Govern-
ment, respectively, 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. PROVISIONS RELATING TO CERTAIN OFFICES—**
4 **AND POSITIONS WITHIN THE EXECUTIVE**
5 **BRANCH.**

6 (a) SALARY OF THE VICE PRESIDENT.—



1 (1) IN GENERAL.—Section 104 of title 3,
2 United States Code, is amended—

3 (A) by redesignating subsection (a) as sub-
4 section (a)(1) and subsection (b) as paragraph
5 (2); and

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

7 “(b)(1)(A) Effective at the beginning of the first
8 month in which any comparability payment becomes pay-
9 able under section 5304 or 5304a of title 5 with respect
10 to General Schedule employees within the District of Co-
11 lumbia during any year, the per annum rate of salary of
12 the Vice President (exclusive of any previous adjustment
13 under this subsection) shall be adjusted by an amount,
14 rounded to the nearest multiple of \$100 (or if midway be-
15 tween multiples of \$100, to the next highest multiple of
16 \$100) equal to the percentage of such per annum rate
17 which corresponds to the percentage adjustment becoming
18 so payable with respect to General Schedule employees
19 within the District of Columbia under such section 5304
20 or 5304a (as applicable).

21 “(B) If an adjustment under this subsection is sched-
22 uled to take effect on the same date as an adjustment
23 under subsection (a), the adjustment under subsection (a)
24 shall be made first.



1 “(2) The rate of salary of the Vice President, as ad-
2 justed under paragraph (1), shall for all purposes be treat-
3 ed as the rate of salary of the Vice President, except as
4 otherwise provided in subsection (a), paragraph (1), or
5 any other provision of law.

6 “(3) Nothing in this subsection shall be considered
7 to permit or require the continuation of an adjustment
8 under paragraph (1) after the comparability payment (for
9 General Schedule employees within the District of Colum-
10 bia) on which it was based has been terminated or super-
11 seded.”.

12 (2) CONFORMING AMENDMENTS.—Section 104
13 of title 3, United States Code, is amended—

14 (A) in the second sentence of subsection
15 (a)(1) (as so redesignated)—

16 (i) by striking “Subject to subsection
17 (b),” and inserting “Subject to paragraph
18 (2),”; and

19 (ii) by inserting “(exclusive of any
20 previous adjustment under subsection (b))”
21 after “the salary of the Vice President”;
22 and

23 (B) in subsection (a)(2) (as so redesign-
24 ated), by striking “subsection (a)” and insert-
25 ing “paragraph (1)”.

1 (b) EXECUTIVE SCHEDULE PAY RATES.—

2 (1) IN GENERAL.—Section 5318 of title 5,
3 United States Code, is amended—

4 (A) by redesignating subsection (a) as sub-
5 section (a)(1) and subsection (b) as paragraph
6 (2); and

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

8 “(b)(1)(A) Effective at the beginning of the first ap-
9 plicable pay period commencing on or after the first day
10 of the month in which any comparability payment becomes
11 payable under section 5304 or 5304a with respect to Gen-
12 eral Schedule employees within the District of Columbia
13 during any year, the annual rate of pay for positions at
14 each level of the Executive Schedule (exclusive of any pre-
15 vious adjustment under this subsection) shall be adjusted
16 by an amount, rounded to the nearest multiple of \$100
17 (or if midway between multiples of \$100, to the next high-
18 est multiple of \$100) equal to the percentage of such an-
19 nual rate of pay which corresponds to the percentage ad-
20 justment becoming so payable with respect to General
21 Schedule employees within the District of Columbia under
22 such section 5304 or 5304a (as applicable).

23 “(B) If an adjustment under this subsection is sched-
24 uled to take effect on the same date as an adjustment



1 under subsection (a), the adjustment under subsection (a)
2 shall be made first.

3 “(2) An annual rate of pay, as adjusted under para-
4 graph (1), shall for all purposes be treated as the annual
5 rate of pay for the positions involved, except as otherwise
6 provided in subsection (a), paragraph (1), or any other
7 provision of law.

8 “(3) Nothing in this subsection shall be considered
9 to permit or require the continuation of an adjustment
10 under paragraph (1) after the comparability payment (for
11 General Schedule employees within the District of Colum-
12 bia) on which it was based has been terminated or super-
13 seded.”.

14 (2) CONFORMING AMENDMENTS.—Section 5318
15 of title 5, United States Code, is amended—

16 (A) in the first sentence of subsection
17 (a)(1) (as so redesignated)—

18 (i) by striking “Subject to subsection
19 (b),” and inserting “Subject to paragraph
20 (2),”; and

21 (ii) by inserting “(exclusive of any
22 previous adjustment under subsection (b))”
23 after “Executive Schedule”; and



1 (B) in subsection (a)(2) (as so redesign-
2 nated), by striking “subsection (a)” and insert-
3 ing “paragraph (1)”.

4 (c) AMENDMENTS RELATING TO CERTAIN LIMITA-
5 TION AND OTHER PROVISIONS.—

6 (1) PROVISIONS TO BE APPLIED BY EXCLUDING
7 EXECUTIVE SCHEDULE COMPARABILITY ADJUST-
8 MENT.—Sections 5303(f), 5304(h)(1)(F), 5306(e),
9 and 5373(a) of title 5, United States Code, are each
10 amended by inserting “, exclusive of any adjustment
11 under section 5318(b)” after “Executive Schedule”.

12 (2) LIMITATION ON CERTAIN PAYMENTS.—Sec-
13 tion 5307(a) of title 5, United States Code, is
14 amended by adding at the end the following:

15 “(3) In the case of an employee who is receiving basic
16 pay under section 5372, 5376, or 5383, paragraph (1)
17 shall be applied by substituting ‘the annual rate of salary
18 of the Vice President of the United States’ for ‘the annual
19 rate of basic pay payable for level I of the Executive
20 Schedule’. Regulations under subsection (c) may extend
21 the application of the preceding sentence to other equiva-
22 lent categories of employees.”.

23 (3) REFERENCES TO LEVEL IV OF THE EXECU-
24 TIVE SCHEDULE.—Sections 5372(b)(1)(C),
25 5372a(b)(1), 5376(b)(1)(B), and 5382(b) of title 5,



1 United States Code, are each amended by striking
2 "level IV" each place it appears and inserting "level
3 III".

4 **SEC. 2. PROVISIONS RELATING TO CERTAIN OFFICES AND**
5 **POSITIONS WITHIN THE JUDICIAL BRANCH.**

6 (a) INCREASE IN MAXIMUM RATES OF BASIC PAY
7 ALLOWABLE.—

8 (1) FOR POSITIONS COVERED BY SECTION
9 604(a)(5) OF TITLE 28, UNITED STATES CODE.—Sec-
10 tion 604(a)(5) of title 28, United States Code, is
11 amended by striking "by law" and inserting "by law
12 (except that the rate of basic pay fixed under this
13 paragraph for any such employee may not exceed
14 the rate for level IV of the Executive Schedule)".

15 (2) FOR CIRCUIT EXECUTIVES.—Section
16 332(f)(1) of title 28, United States Code, is amend-
17 ed by striking "level IV of the Executive Schedule
18 under section 5315" and inserting "level III of the
19 Executive Schedule under section 5314".

20 (3) FOR PERSONNEL OF THE ADMINISTRATIVE
21 OFFICE OF THE UNITED STATES COURTS.—

22 (A) IN GENERAL.—Section 3(a) of the Ad-
23 ministrative Office of the United States Courts
24 Personnel Act of 1990 (Public Law 101-474;
25 28 U.S.C. 602 note) is amended—



1 (i) in paragraph (1), by striking “level
2 V” and inserting “level IV”; and

3 (ii) in paragraph (10), by striking
4 level IV” and inserting “level III”.

5 (B) PROVISIONS RELATING TO CERTAIN
6 ADDITIONAL POSITIONS.—Section 603 of title
7 28, United States Code, is amended by striking
8 “level IV of the Executive Schedule under sec-
9 tion 5315” and inserting “level III of the Exec-
10 utive Schedule under section 5314”.

11 (b) SALARY OF THE DIRECTOR OF THE ADMINISTRA-
12 TIVE OFFICE OF THE UNITED STATES COURTS.—Section
13 603 of title 28, United States Code, is amended by strik-
14 ing “district” and inserting “circuit”.

15 **SEC. 3. EFFECTIVE DATE.**

16 The amendments made by this Act shall be effective
17 with respect to pay periods beginning on or after the date
18 of the enactment of this Act.

