



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 7, 2009

S. 806 **Federal Executive Board Authorization Act of 2009**

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on July 29, 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					2010-2014
	2010	2011	2012	2013	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.

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