



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 23, 2010

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

*As ordered reported by the House Committee on Oversight and Government Reform  
on April 14, 2010*

#### **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 legislation to cover the costs of operating the FEBs.

CBO estimates that implementing S. 806 would cost about \$2 million in 2010 and \$16 million over the 2010-2015 period, assuming appropriation of the necessary amounts. In addition, the legislation could affect 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 2010-2015 period.

S. 806 could affect direct spending by agencies not funded through annual appropriations, such as the Tennessee Valley Authority or the U.S. Postal Service; therefore, pay-as-you-go procedures would apply. CBO estimates that any impact on direct spending would be negligible. The legislation 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						2010-2015
	2010	2011	2012	2013	2014	2015	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>							
Estimated Authorization Level	1	3	3	3	3	3	16
Estimated Outlays	1	3	3	3	3	3	16

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that S. 806 will be enacted in fiscal year 2010 and that spending will follow historical patterns for similar programs.

Federal Executive Boards were established by a 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 of the country with significant numbers of federal employees. The FEBs receive no specific appropriation but are funded by their local host agency or department. In total, the program cost about \$6 million in 2009.

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 and would require participating agencies to make contributions to a new fund established to cover the costs of FEBs. 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 \$16 million over the 2010-2015 period.

## **PAY-AS-YOU-GO CONSIDERATIONS**

The Statutory Pay-As-You-Go Act of 2010 establishes budget reporting and enforcement procedures for legislation affecting direct spending or revenues. S. 806 could affect direct spending by agencies not funded through annual appropriations, such as the Tennessee Valley Authority or the U.S. Postal Service; therefore, pay-as-you-go procedures would apply. CBO estimates, however, that any increase in spending by those agencies would

not be significant or would be offset by corresponding increase in rates charged by those agencies. S. 806 would not affect revenues. The net budgetary changes that are subject to pay-as-you-go procedures are shown in the following table.

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**CBO Estimate of Pay-As-You-Go Effects for S. 806, the Federal Executive Board Authorization Act of 2009, as ordered reported by the House Committee on Oversight and Government Reform on April 14, 2010**

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	By Fiscal Year, in Millions of Dollars												2010-	2010-
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2015	2020	
<b>NET INCREASE OR DECREASE (-) IN THE DEFICIT</b>														
Statutory Pay-As-You-Go Impact	0	0	0	0	0	0	0	0	0	0	0	0	0	

## **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.

## **PREVIOUS CBO ESTIMATE**

On August 7, 2009, CBO provided a cost estimate for S. 806, as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on July 29, 2009. The two pieces of legislation are similar, and the differences in the estimated cost reflect different assumed enactment dates.

## **ESTIMATE PREPARED BY**

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