



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 15, 2008

H.R. 5683

Government Accountability Office Act of 2008

*As ordered reported by the House Committee on Oversight and Government Reform
on May 1, 2008*

SUMMARY

H.R. 5683 would require the Government Accountability Office (GAO) to change certain pay practices and, subject to the availability of appropriations, compensate employees for certain past practices. It also would increase the cap on employees' pay. Assuming appropriation of the necessary amounts, CBO estimates that implementing those provisions would cost about \$11 million over the 2009-2013 period.

The bill also would expand the types of pay that are included in retirement benefit calculations, which would increase direct spending by less than \$500,000 over the 2009-2018 period. The bill would have an insignificant effect on revenues. Implementing other provisions of H.R. 5683 would have no significant effect on the agency's budget.

H.R. 5683 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 H.R. 5683 is shown in the following table. The costs of this legislation fall within budget functions 600 (income security) and 800 (general government).

	By Fiscal Year, in Millions of Dollars				
	2009	2010	2011	2012	2013

CHANGES IN SPENDING SUBJECT TO APPROPRIATION

Estimated Authorization Level	3	2	2	2	2
Estimated Outlays	3	2	2	2	2

Note: Enacting the bill also would increase direct spending by less than \$500,000 over the 2009-2018 period.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 5683 will be enacted at the beginning of fiscal year 2009 and that the necessary amounts will be appropriated for each year. CBO estimates that enacting H.R. 5683 would increase salary payments to some GAO employees, assuming availability of appropriated funds. It also would increase retirement costs.

Section 3 would require GAO to pay, subject to the availability of appropriations, a lump-sum reimbursement to about 300 employees who received less than the annual pay increase given to others in 2006 (2.6 percent) and 2007 (2.4 percent). Based on information provided by GAO and assuming the availability of appropriated funds, CBO estimates that making the lump-sum payments would cost the agency about \$1.7 million in 2009. Because those payments would cause the affected employees' base pay to rise, future salaries would also increase, by an estimated \$3 million over the 2009-2013 period.

Section 4 would provide a lump-sum payment to individuals who did not receive their full performance-based compensation as a result of having a salary equal to or greater than the maximum for their pay band. Based on information from GAO, CBO estimates that this provision would boost discretionary spending in 2009 by about \$200,000.

The bill also would make other changes including: increasing the highest basic rate of pay under the pay schedule, limiting the total amount of cash compensation (salaries, bonuses, and other payments) that an employee can receive in any year, and guaranteeing a minimum rate of increase in the annual pay of most employees. Based on information from GAO, CBO estimates that those provisions would cost about \$6 million over the five-year period, assuming appropriation of the estimated amounts.

Section 12 would direct that the nonpermanent portion of a performance-based pay increase be included in the employee's basic pay for purposes of calculating retirement benefits. CBO estimates that the resulting change in retirement benefits would increase direct spending by less than \$500,000 over the 2009-2018 period.

Other provisions of this bill would have no effect on the federal budget.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5683 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Barry Blom, Taylor Tarver and Deborah Reis
Impact on State, Local, and Tribal Governments: Elizabeth Cove
Impact on Private Sector: Paige Piper/Bach

ESTIMATE APPROVED BY:

Theresa Gullo
Deputy Assistant Director for Budget Analysis