



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 29, 2010

H.R. 1722

Telework Improvements Act of 2010

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

SUMMARY

H.R. 1722 would require executive branch agencies of the federal government to establish policies to determine which employees are eligible to participate in certain telework programs. (Telework programs enable employees to work part time from places other than their regular place of employment.) Under the legislation, agencies would designate an officer to oversee teleworking practices and would authorize trial programs to test alternative ways to compensate certain federal employees who telework.

CBO estimates that implementing H.R. 1722 would increase the administrative costs of federal agencies by \$2 million in 2010 and by \$30 million over the 2010-2015 period, assuming the availability of appropriated funds. H.R. 1722 could affect direct spending by agencies not funded through annual appropriations, such as the Tennessee Valley Authority and the Bonneville Power Administration; therefore, pay-as-you-go procedures would apply. CBO estimates, however, that any net increase in spending for telework programs by those agencies would not be significant. Enacting H.R. 1722 would not affect revenues.

H.R. 1722 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. 1722 is shown in the following table. The costs of this legislation fall within budget function 800 (general government) and all budget functions that contain salaries and expenses.

	By Fiscal Year, in Millions of Dollars						2010-2015
	2010	2011	2012	2013	2014	2015	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION							
Estimated Authorization Level	2	8	5	5	5	5	30
Estimated Outlays	2	8	5	5	5	5	30

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 1722 will be enacted in fiscal year 2010 and that spending will follow historical patterns for similar activities.

Under current law, executive branch agencies are required to establish policies for employees to participate in telework programs to the maximum extent possible without diminishing performance. The General Services Administration (GSA) and the Office of Personnel Management (OPM) provide guidance and resources to federal agencies to support telework policies. H.R. 1722 would require agencies to establish and implement policies to enable eligible employees to participate in telework programs and to report to the Congress on their efforts each year.

Based on information from OPM and GSA, CBO estimates that implementing H.R. 1722 would increase administrative costs to federal agencies by about \$30 million over the 2010-2015 period, assuming the availability of appropriated funds. That amount includes the cost of notifying employees of their eligibility to participate in telework programs, as well as preparing regulations, providing guidance to managers and employees, and preparing a federal study on telework.

The legislation also would authorize a six-year trial program for certain employees whose telework locations are beyond the local commuting area of the employing agency. Under current law, if those employees are required to report to their official duty station the agency must pay for the travel. H.R. 1722 would authorize agencies to make such travel payments optional. Because CBO estimates that few agencies employ such long distance workers, we estimate that implementing the trial program would have no significant impact on the federal budget.

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. H.R. 1722 could affect direct spending by agencies not funded through annual appropriations, such as the Tennessee Valley Authority and the Bonneville Power Administration; therefore, pay-as-you-go procedures would apply. CBO estimates, however, that any net increase in spending for telework programs by those agencies would not be significant. Enacting H.R. 1722 would not affect revenues. The net budgetary changes that are subject to pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 1722, the Telework Improvements Act of 2010, as ordered reported by the House Committee on Oversight and Government Reform on April 14, 2010

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

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1722 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 June 1, 2009, CBO transmitted a cost estimate for S. 707, the Telework Enhancement Act of 2009, as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs. The bills are similar but would be effective for different time periods.

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