



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 5, 2011

H.R. 1021 **Temporary Bankruptcy Judgeship Extension Act of 2011**

As ordered reported by the House Committee on the Judiciary on March 17, 2011

SUMMARY

H.R. 1021 would extend the authority to appoint judges to 30 temporary bankruptcy judgeships. Under the bill, those temporary judgeships could remain filled for five years or until another vacancy occurs, whichever is later. Under current law, those judgeships cannot be filled if any vacancies occur.

CBO estimates that enacting H.R. 1021 would increase direct spending by about \$2 million over the 2012-2016 period and about \$5 million over the 2012-2021 period. Pay-as-you-go procedures apply because the legislation would affect direct spending. Enacting the legislation would not affect revenues. Implementing the bill also would increase spending subject to appropriation by \$4 million over the next five years, CBO estimates.

H.R. 1021 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1021 is shown in the following table. The costs of this legislation fall within budget function 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					2012- 2016
	2012	2013	2014	2015	2016	
CHANGES IN DIRECT SPENDING ^a						
Estimated Budget Authority	*	*	*	*	1	2
Estimated Outlays	*	*	*	*	1	2
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	*	*	1	1	2	4
Estimated Outlays	*	*	1	1	2	4

Note: * = less than \$500,000.

a. Over the 2012-2021 period, CBO estimates that enacting H.R. 1021 would increase direct spending by \$5 million.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 1021 would be enacted by the end of 2011. CBO cannot predict the timing of vacancies among temporary judgeships; however, based on information from the Administrative Office of the US Courts, historical mortality rates for bankruptcy judges, and mortality tables provided by the Social Security Administration, we expect that four vacancies out of an affected population of more than 100 judges are likely to occur during the five years following the enactment of the bill. Under current law, some vacancies in judicial districts, regardless of when the judge was appointed or when the judgeship was established, would remain vacant; enacting this bill would allow those positions to be filled.

The salaries and benefits for bankruptcy judges—about \$190,000 per judge per year—are considered mandatory spending because those amounts do not depend on the enactment of annual appropriation bills. CBO estimates that enacting H.R. 1021 would increase direct spending by \$2 million over the 2012-2016 period and \$5 million over the 2012-2021 period. If more or fewer than four judges in the specified districts were to die, retire, resign, or be removed during the five years following the enactment of the legislation, costs could be higher or lower than we have estimated.

In addition, CBO estimates that implementing the legislation would increase spending subject to appropriation by \$4 million over the 2012-2016 period for the salaries and benefits of support personnel, court operations and maintenance, and other administrative costs associated with the additional judges that would be appointed under the bill.

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. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 1021, as ordered reported by the House Committee on the Judiciary on March 17, 2011

	By Fiscal Year, in Millions of Dollars											2011-	2011-
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016	2021
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	0	0	0	0	1	1	1	1	1	1	2	5

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

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

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