



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 12, 2007

### **S. 967**

### **Federal Supervisor Training Act of 2007**

*As ordered reported by the Senate Committee on Homeland Security  
and Governmental Affairs on June 13, 2007*

#### **SUMMARY**

S. 967 would amend current law to require training for existing and newly hired federal employees that supervise other employees. The legislation also would direct the Office of Personnel Management (OPM) to issue guidance to agencies on standards that supervisors are expected to meet and would require agencies to review their training programs and report on their effectiveness to OPM.

CBO estimates that implementing S. 967 would cost \$55 million in 2008 and \$295 million over the 2008-2012 period, assuming appropriation of the necessary funds. Enacting the bill would not affect direct spending or revenues.

S. 967 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. 967 is shown in the following table. The costs of this legislation fall within all budget functions that include salaries and expenses.

	By Fiscal Year, in Millions of Dollars				
	2008	2009	2010	2011	2012
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>					
Training Program for Supervisors					
Estimated Authorization Level	55	55	55	55	55
Estimated Outlays	50	55	55	55	55
Review of Training Process					
Estimated Authorization Level	5	5	5	5	5
Estimated Outlays	5	5	5	5	5
Total Changes					
Estimated Authorization Level	60	60	60	60	60
Estimated Outlays	55	60	60	60	60

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that the legislation will be enacted near the start of fiscal year 2008, that the necessary amounts will be appropriated for each fiscal year, and that outlays will follow historical trends for similar activities.

S. 967 would require agencies to set new performance standards and train new supervisors within 12 months after such employees assume supervisory duties. Under the bill, all current supervisors would be trained within three years after enactment of the legislation; and supervisors would receive “refresher” training every three years thereafter. This training would include working with supervisors to develop employee goals and objectives, mentoring programs, and informing managers about prohibited personnel practices and employee rights.

Based on information from OPM, CBO estimates that there are about 210,000 supervisors in the federal government. (In 2006, about 3,200 new supervisors were hired.) In addition, OPM and human resources managers at federal agencies that CBO contacted expect the cost of managers’ training seminars would range from hundreds of dollars per session up to a few thousand dollars for week-long seminars.

CBO is unaware of any comprehensive information or report on the extent of supervisor training throughout the federal government. There is no existing requirement for federal agencies to provide training for all supervisors. Under current law, agencies are required to have a comprehensive training program for managers, but there is no mandate for managers to participate in that training. Although the use of training programs is not uniform

throughout the federal government, information from some of the largest employing agencies, including the Departments of Defense, Energy, and Justice, suggests that agencies have supervisor training programs, usually for new supervisors. For this estimate, CBO expects that initial supervisor training would cost about \$2,000 per employee, and the refresher training for current supervisors would cost about \$1,000 per employee.

Using information provided by major agencies and OPM, CBO expects that about 25 percent of all new managers are not provided with mandatory supervisor training that covers mentoring employees, establishing employees' goals, and other employee-management techniques. In addition, CBO expects that about 75 percent of all current managers typically do not receive subsequent retraining on a regular basis. Using those assumptions, CBO estimates that requiring federal agencies to provide mandatory training for new supervisors would cost about \$2 million annually. In addition, providing refresher training for all supervisors every three years would cost \$53 million in 2008 and about \$260 million over the 2008-2012 period, assuming agencies would implement that requirement over a three-year period.

S. 967 also would require agencies to annually review and assess their supervisor training programs. Using information provided by OPM, a review of large employing agencies, and the cost of similar reports, CBO estimates that requiring agencies to review their training programs annually and report to OPM would cost \$5 million in 2008 and \$25 million over the 2008-2012 period.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 967 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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