



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 14, 1998

H.R. 2873

A bill to amend the Occupational Safety and Health Act

*As ordered reported by the House Committee on Education and the Workforce on
June 10, 1998*

SUMMARY

H.R. 2873 would require the Secretary of Labor when promulgating, modifying, or revoking an occupational safety and health standard to identify the industries affected. The Secretary would have to ensure that the standard as applied to each industry is based upon an industry-specific assessment of the risks, benefits, and costs. If information on a particular industry affected is not available, the Secretary would be able to use information from a similar industry to assess the effects of the standard.

The Occupational Health and Safety Administration (OSHA), administers such standards. H.R. 2873 would require OSHA to do more extensive analysis when setting or amending standards than it does under current law. If appropriations are made in the full amount of the additional resources required to fulfill the requirements of this legislation, CBO estimates that H.R. 2873 would result in additional discretionary spending of \$2 million over the 1999-2003 period.

H.R. 2873 would not affect direct spending or receipts; therefore pay-as-you-go procedures would not apply. The legislation also does not contain any intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not have a significant effect on the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2873 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

	By Fiscal Year, in Millions of Dollars					
	1998	1999	2000	2001	2002	2003
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law	336	348	360	372	384	396
Budget Authority ^a	335	347	358	370	382	394
Estimated Outlays						
Proposed Changes						
Authorization Level	0	b	b	b	1	1
Estimated Outlays	0	b	b	b	b	1
Spending Under H.R. 2873						
Authorization Level ^a	336	348	360	372	385	397
Estimated Outlays	335	347	358	370	382	395

a. The 1998 level is the amount appropriated for that year.

b. Less than \$0.5 million.

BASIS OF ESTIMATE

Under current law when OSHA makes a rule, it conducts risk assessment, feasibility studies, and benefit evaluations on a level it deems necessary. Benefit analysis is done on an aggregate basis and cost analysis is done on an industrial sector level. The bill would require significant additional benefit analysis and, depending on the detail in which industries would be defined, would require more detailed cost analysis as well.

Assuming that OSHA already performs cost analysis in sufficient detail and using information from OSHA, CBO estimates that additional benefit analysis for each standard would require \$70,000 in additional contract costs and about one-quarter of one employee's time. OSHA promulgates or modifies about 5 standards per year. In total, CBO estimates that H.R. 2873 would increase OSHA's costs by about \$0.4 million in fiscal year 1999. If appropriations are made in the full amount of these additional costs, discretionary federal spending would increase by \$2 million over the 1999-2003 period. Costs could increase as much as \$1 million in fiscal year 1999 if "industry" is defined in more detail than the industrial sector level. The estimate assumes that appropriations would be made by the start of each fiscal year and that outlays would follow the historical spending patterns for OSHA.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2873 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not have a significant effect on the budgets of state, local, or tribal governments.

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