

December 8, 2003

Honorable Jim Nussle  
Chairman  
Committee on the Budget  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

CBO has prepared an estimate of the costs of implementing H.R. 3349, an act to authorize salary adjustments for Justices and judges of the United States for fiscal year 2004, as cleared by the Congress on November 21, 2003, and signed into law by the President on December 6, 2003.

H.R. 3349 will raise the salaries of federal Justices and judges by the same cost-of-living pay adjustment provided to Members of Congress for 2004—an increase of 1.5 percent under current law. CBO estimates that this increase will cost \$3 million in 2004 and \$4 million each year thereafter. Because those salaries are classified as mandatory expenditures, CBO estimates that this legislation will increase direct spending by \$39 million over the 2004-2013 period, as shown in the following table. The act will not affect federal revenues.

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	By Fiscal Year, in Millions of Dollars									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>CHANGES IN DIRECT SPENDING</b>										
Estimated Budget										
Authority	3	4	4	4	4	4	4	4	4	4
Estimated Outlays	3	4	4	4	4	4	4	4	4	4

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The conference agreement on the Consolidated Appropriations Act, 2004 (H.R. 2673) would increase the pay raises due to various categories of federal employees. If that legislation is enacted, the pay adjustment for Justices and judges would become 2.2 percent and the annual costs would be about \$1 million higher than the figures shown above.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Lanette J. Walker.

Sincerely,

Douglas Holtz-Eakin  
Director

Enclosure

cc: Honorable John M. Spratt Jr.  
Ranking Member

Honorable F. James Sensenbrenner Jr.  
Chairman  
Committee on the Judiciary

Honorable John Conyers Jr.  
Ranking Member

Identical letter sent to the Honorable Don Nickles.