



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 20, 2005

S. 494

Federal Employee Protection of Disclosures Act

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on April 13, 2005*

S. 494 would amend the Whistleblower Protection Act (WPA). The bill would clarify current law and give new protections to federal employees who report abuse, fraud, and waste involving government activities. The legislation also would make several changes to the laws governing the Merit Systems Protection Board (MSPB) and the Office of Special Counsel (OSC), which implement provisions of the WPA.

CBO estimates that implementing S. 494 would cost \$2 million a year and \$10 million over the 2006-2010 period, assuming appropriation of the necessary amounts. Enacting the legislation would not affect direct spending or revenues. S. 494 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

Under current law, the OSC investigates complaints regarding reprisal against federal employees that inform authorities of fraud or other improprieties in the operation of federal programs (such individuals are known as whistleblowers). The OSC seeks corrective action for valid complaints. If agencies fail to take corrective action, the OSC or the employee can pursue a case through the MSPB for resolution. Whistleblower cases may also be reviewed by the U.S. Court of Appeals.

According to the MSPB and OSC, there generally are between 400 and 500 whistleblower cases per year. S. 494 would expand the definition of protected whistleblowing, create new avenues of appeal for employees who lose their security clearances in retaliation for whistleblowing, increase the authority of the OSC, and suspend the U.S. Court of Appeals exclusive jurisdiction over whistleblower appeals for five years. In 2005, the MSPB received an appropriation of \$35 million, and the OSC received \$15 million.

CBO expects that the bill's changes in whistleblower laws would increase the workload of the MSPB and OSC. Based on information from those agencies, we estimate that implementing this bill would cost up to \$2 million a year to cover additional staffing, travel, and security clearance reviews.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.