



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 19, 2008

H.R. 404

Federal Customer Service Enhancement Act of 2008

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on July 30, 2008*

H.R. 404 would require the Office of Management and Budget (OMB) to establish customer service standards for federal agencies. Agencies would be required to meet those standards. The legislation also would require the Government Accountability Office (GAO) to evaluate each agency's customer service practices and make recommendations to the Congress. H.R. 404 also would require each agency to designate a customer-relations representative and authorize cash awards to employees for providing excellent customer service.

Based on information from OMB and GAO, and from CBO's review of major agencies, CBO understands that many agencies have a designated customer-relations representative and already collect some data on the quality of their customer service.

CBO expects that complying with the act's provisions would increase the administrative expenses of some federal agencies, but because of the large number of agencies involved and the extensive interactions between the federal government and the public, CBO cannot determine a precise estimate of the likely total costs for implementing H.R. 404. Costs over the 2009-2013 period, however, would generally come from agencies' salary and expense budgets, which are subject to annual appropriation. Such costs would probably total a few million dollars per year. In addition, based on information provided by GAO and OMB, CBO estimates that developing measures of customer service performance and conducting an annual evaluation of agencies' customer service practices would cost around \$1 million in 2009 and less than \$500,000 annually in subsequent years. Enacting the legislation would not affect direct spending or revenues.

H.R. 404 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.

On July 2, 2007, CBO transmitted a cost estimate for H.R. 404 as ordered reported by the House Committee on Oversight and Government Reform on June 12, 2007. The two versions of the legislation are similar, but they have different provisions regarding reporting requirements. CBO's cost estimates reflect those differences.

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