



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

November 6, 2009

S. 1825

**A bill to extend the authority for relocation expenses test programs
for federal employees, and for other purposes**

*As reported by the Senate Committee on Homeland Security and Governmental Affairs
on November 4, 2009*

S. 1825 would give the U.S. General Services Administration (GSA) permanent authority to approve agencies' requests to operate programs to test alternative methods of compensating employees for relocation and travel expenses. GSA's authority to authorize such programs will expire in December 2009. Other provisions of the bill would expand the number of test programs from 10 to 12 and allow them to operate for a maximum of eight years.

Existing regulations for federal travel require that certain relocation expenses must be reimbursed. Such expenses include transportation costs and per diem for travel to the employee's new duty station, real estate sales and settlement expenses, and the costs to transport and store household goods. Under the regulations, other expenses may be reimbursed at an agency's discretion, including costs associated with finding a home, securing temporary quarters, and using a relocation service company.

Since the test program authority was introduced in 1998, one agency's program has been completed and six others are currently operating. Most of the test programs allow employees being transferred to a new location to choose to arrange and pay for their own moving expenses using a predetermined lump-sum payment from the government rather than submitting expense reports to obtain reimbursement for those expenses. Based on information from GSA and the agencies involved, CBO estimates that any additional administrative costs or savings from continuing to operate such programs would be small; the net impact on the federal budget would not be significant.

S. 1825 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.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.