



# CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 7, 2009

## **S. 599**

### **Federal Firefighters Fairness Act of 2009**

*As ordered reported by the Senate Committee on Homeland Security  
and Governmental Affairs on May 20, 2009*

#### **SUMMARY**

S. 599 would expand eligibility for federal firefighters with certain diseases and conditions to receive medical, wage replacement, and death benefits under the Federal Employees' Compensation Act (FECA).

CBO estimates that enacting S. 599 would increase net direct spending for benefits for firefighters by \$26 million over the 2010-2019 period. Enacting the bill would not affect revenues.

Because employing agencies ultimately bear the cost of federal workers' compensation claims, CBO estimates that discretionary costs for salaries and expenses would rise along with the FECA claims. Assuming appropriation of the necessary amounts, CBO estimates that spending subject to appropriation would increase by \$25 million over the 2010-2019 period.

S. 599 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) because it would require public and private medical facilities to notify emergency response employees of possible exposures to an infectious disease. CBO estimates that the costs of the mandates would fall below the annual thresholds established in UMRA for both intergovernmental and private-sector mandates (\$69 million and \$139 million in 2009, respectively, adjusted annually for inflation).

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 599 is shown in the following table. The costs of this legislation fall within budget function 600 (income security).

	By Fiscal Year, in Millions of Dollars											2010-	2010-
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2014	2019	
<b>CHANGES IN DIRECT SPENDING</b>													
Estimated Budget Authority	2	2	2	2	3	3	3	3	3	3	11	26	
Estimated Outlays	2	2	2	2	3	3	3	3	3	3	11	26	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>													
Estimated Authorization Level	1	2	3	3	3	3	3	3	3	3	12	27	
Estimated Outlays	1	2	2	2	3	3	3	3	3	3	10	25	
<b>Memorandum:</b>													
Intragovernmental Collections from Agencies to Pay for FECA Costs	-1	-2	-2	-2	-3	-3	-3	-3	-3	-3	-10	-25	

Notes: Components may not sum to totals because of rounding.

FECA = Federal Employees' Compensation Act.

## BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that S. 599 will be enacted near the start of fiscal year 2010.

### Direct Spending

S. 599 would make federal firefighters who contract certain diseases presumptively eligible for benefits under FECA. The specified diseases include heart disease, lung disease, certain cancers, tuberculosis, hepatitis A, B, or C, and human immunodeficiency disease. Affected firefighters would be eligible for federal workers' compensation benefits, including medical expenses, disability payments, and death payments to survivors. Based on the incidence, disability, and death rates for the specified diseases, CBO estimates that between 200 and 300 people per year, on average, would qualify for benefits. CBO estimates that providing FECA benefits for eligible firefighters would increase direct spending by \$28 million over the 2010-2019 period.

Costs under FECA would be partially offset by small savings in federal payments for disability and payments under the Federal Employees Health Benefits program. For those claimants who would have been able to qualify for federal disability payments under current law, those disability payments would be replaced by FECA payments. In addition, the federal government's share of health care premiums for retirees would decline slightly as costs for covered medical conditions would be paid by FECA. After accounting for those offsets (\$2 million over the 10-year period), CBO estimates that enacting S. 599 would increase net mandatory spending by \$26 million over the 2010-2019 period.

### **Spending Subject to Appropriation**

Because FECA costs ultimately are charged back to the claimant's employing agency, the costs are borne by those agencies' salaries and expense accounts. Therefore, CBO estimates that enacting S. 599 would increase discretionary costs for salaries and expenses governmentwide by a total of \$25 million over the 2010-2019 period, assuming appropriation of the estimated amounts. Those reimbursements would be transferred to and credited to the FECA account, as shown in the memorandum line in the table above.

### **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

Under current law, public and private medical facilities must notify workers, including emergency response employees, if they have or could have been exposed to bloodborne pathogens. S. 599 would impose additional duties on medical facilities, including those that establish the cause of death, to notify emergency response employees if they have or could have been exposed to an infectious disease, including an airborne infectious disease. They also would be required to evaluate and respond to a notice request from emergency response employees who believe they may have been exposed to an infectious disease while attending, treating, assisting, or transporting an individual to the facility. The duty to comply with these new requirements would impose both intergovernmental and private-sector mandates as defined in UMRA. Based on the number of emergency medical transports that could result in exposure to an infectious disease and the cost of notifications, CBO estimates that the costs of the mandates would fall below the annual thresholds established in UMRA (\$69 million for intergovernmental mandates and \$139 million for private-sector mandates in 2009, adjusted annually for inflation).

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