CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 26, 2011

H.R. 1470

A bill to amend title 5, United States Code, to extend the probationary period applicable to appointments in the civil service, and for other purposes

As ordered reported by the House Committee on Oversight and Government Reform on April 13, 2011

H.R. 1470 would extend the probationary period for federal employees from one year to two years. During that time, an agency is responsible for assessing a candidate for a permanent position or termination. CBO estimates that implementing the legislation would have no significant impact on the federal budget. Enacting the bill could affect direct spending by agencies not funded through annual appropriations, such as the Tennessee Valley Authority and the Bonneville Power Administration; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net increase in spending by those agencies would not be significant. Enacting H.R. 1470 would not affect revenues.

Under current regulations, the first year of service for most federal employees is considered a probationary period. During that year, supervisors evaluate an employee's performance and conduct on the job and may remove the employee if necessary. Employees dismissed during this probationary period generally have no right of appeal to the Merit Systems Protection Board. H.R. 1470 would extend the current probationary period to two years. CBO estimates that the legislation would have no significant budgetary effect because it would not change the evaluation process or structure, the total number of federal jobs available, or the oversight of employees.

H.R. 1470 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. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.