



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

December 8, 2014

H.R. 5229
Wounded Warriors Federal Leave Act of 2014
*As ordered reported by the House Committee on Oversight and Government Reform
on September 17, 2014*

SUMMARY

H.R. 5229 would provide additional sick leave to veterans with a disability rated at 30 percent or greater who are newly hired by the federal government. That additional leave would have to be used for treatment of the employee’s disability and would expire one year after it became available to the employee. CBO estimates that implementing H.R. 5229 would cost about \$70 million over the next five years, subject to appropriation of the necessary funds.

Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

H.R. 5229 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 5229 is shown in the following table. The costs of this legislation fall in all budget functions except functions 900 (net interest) and 950 (offsetting receipts).

	By Fiscal Year, in Millions of Dollars					2015-2019
	2015	2016	2017	2018	2019	

CHANGES IN SPENDING SUBJECT TO APPROPRIATION

Estimated Authorization Level	0	15	21	23	24	83
Estimated Outlays	0	8	18	22	23	71

BASIS OF ESTIMATE

For this estimate, CBO assumes H.R. 5229 will be enacted by the end of calendar year 2014 and the amounts estimated to be needed will be appropriated each year.

The legislation would provide a maximum of 104 hours of additional sick leave to veterans with a disability rated at 30 percent or greater who are newly hired by the federal government. The bill specifies that the additional leave would become available for employees hired one year after the date of enactment. That additional leave would have to be used for treatment of the employee's disability and would expire one year after it became available to the employee.

In 2009, President Obama signed an executive order establishing the Veterans Employment Initiative, which was designed to increase federal hiring of veterans. According to the Veterans Employment Council, the proportion of newly hired federal workers who are veterans increased from 35 percent in 2008 to 46 percent in 2013 (the most recent year for which data are available). During those years, the proportion of hired employees who are veterans with a disability rating of 30 percent or greater also increased, from 5.5 percent to 10.7 percent (between 7,000 and 11,000 employees per year). The rate of increase in hiring of disabled veterans has slowed recently, but CBO expects that about 8,000 to 9,000 disabled veterans will continue to be hired by the federal government each year through 2019.

The budgetary effects of this bill derive from the use of additional sick leave. Using data from the Office of Personnel Management (OPM) about the pay grades of affected employees, CBO estimates that their average annual salary is about \$78,000. Data from OPM and research by the Congressional Research Service indicate that disabled veterans use more sick leave than other employees and that the expiration of the additional sick leave would encourage employees to use the benefit at a higher rate than regular leave. On average, CBO assumes that 60 percent of the leave made available under the bill would be used. Based on the anticipated number of new hires of disabled veterans, their average hourly rate, and their projected use of the additional sick leave that the bill would make available, CBO estimates that the legislation would cost about \$70 million over the 2015-2019 period.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5229 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Dan Ready

Impact on State, Local, and Tribal Governments: Jon Sperl

Impact on the Private Sector: Elizabeth Bass

ESTIMATE APPROVED BY:

Theresa Gullo

Deputy Assistant Director for Budget Analysis