



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 6, 2015

H.R. 3089 **GONE Act**

*As ordered reported by the House Committee on Oversight and Government Reform
on July 22, 2015*

H.R. 3089 would direct federal agencies to prepare reports on efforts to close out financial accounts for federal grants that have expired. Grant accounts are closed when all administrative actions have been completed by the non-federal entity. Those actions may involve additional payments to grantees or payments from the grantee to the federal government.

Under current law, agencies are required to track expired grant accounts. CBO anticipates that under H.R. 3089, some agencies' workloads would increase slightly to prepare reports. Based on information from the Office of Management and Budget (OMB) and the Department of Health and Human Services (HHS), CBO estimates that increased administrative costs related to those reports would total \$8 million over the 2016-2020 period; such spending would be subject to the availability of appropriated funds.

Enacting H.R. 3089 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

Information on the *USASpending* website, maintained by the Treasury Department, indicates that the government has awarded almost \$600 billion annually in grants over the past five years. In 2012, the Government Accountability Office reported that about 80 percent of all grants are provided through payment systems of HHS and the Treasury; undisbursed grants totaled about \$720 million in about 10,000 expired accounts that year. In 2012, OMB advised that agencies should take appropriate action to close out such accounts in a timely manner.

H.R. 3089 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

On July 31, 2015, CBO transmitted a cost estimate for S. 1115, the GONE Act, as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on June 24, 2015. The two bills are similar, and the estimated costs are the same.

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