



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 25, 2010

H.R. 5637 **American Jobs Matter Act of 2010**

*As ordered reported by the House Committee on Oversight and Government Reform
on July 28, 2010*

H.R. 5637 would amend federal law to permit applicants for federal contracts the option to submit a job impact statement describing the number of jobs that would be created or retained as a result of receiving the contract as well as a guarantee that those jobs would not be moved outside of the United States. The legislation would allow contracting officers to use this information in the contract evaluation process.

Based on information from the General Services Administration (GSA), CBO expects that few contractors would choose to submit a job impact statement. Contract applicants would have little incentive to prepare such statements because any significant differences between the statement and the actual jobs created or retained could result in the contractor being banned from further work. However, assuming the availability of appropriated funds, CBO estimates that GSA and other agencies would incur costs totaling around \$3 million over the next five years to modify regulations, computer systems, and other administrative procedures to accommodate job impact statements. If many contractors chose to file job impact statements, costs to review them would increase.

Enacting H.R. 5637 also 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. 5637 would not affect revenues.

H.R. 5637 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.