



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 18, 2017

### **H.R. 378** **Bonuses for Cost-Cutters Act of 2017**

*As ordered reported by the House Committee on Oversight and Government Reform  
on July 19, 2017*

H.R. 378 would amend federal law to allow federal agencies to pay cash awards to employees who report wasteful spending. The bill also would increase the maximum amount payable from \$10,000 to \$20,000. Under current law, only Inspectors General (IG) can pay bonuses to federal employees who identify waste, fraud, or mismanagement of funds. Agencies would publically report on the funds and the Government Accountability Office would report on cost savings and the award program every three years.

Under current law and policy the government has many tools to combat unnecessary spending. In 2016 the government spent \$2.7 billion for the activities of 73 IGs and their 13,000 employees to detect and deter fraud, waste, and mismanagement of government funds. Because of the large scale of these ongoing activities, CBO estimates that there would be no significant cost to produce additional reports concerning fraud or for increasing the amount of the awards payable to employees. We also estimate that there would be no significant reduction in federal spending because of increased identification of wasteful or fraudulent spending as a result of enacting the bill.

Because salaries and expenses for some agencies are mandatory appropriations, enacting the bill could have an insignificant effect on direct spending; therefore, pay-as-you-go procedures apply. Enacting H.R. 378 would not affect revenues.

CBO estimates that enacting H.R. 378 would not increase direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 378 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contacts for this estimate is Matthew Pickford. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.