

H.R. 1076, Fair Chance Act

As ordered reported by the House Committee on Oversight and Reform on March 26, 2019

Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	*	*
Revenues	0	*	*
Deficit Effect	0	*	*
Spending Subject to Appropriation (Outlays)	0	*	n.a.
Pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
n.a. = not applicable; * = between -\$500,000 and \$500,000.			

H.R. 1076 would amend federal law to prevent federal employers and contractors from inquiring about a job applicant’s criminal history until after the applicant has received a conditional job offer. The bill would direct federal hiring agencies within the executive, legislative, and judicial branches to issue and implement regulations, policies, and procedures to ensure compliance. H.R. 1076 also would direct the Bureau of Justice Statistics to report to the Congress periodically on the employment statistics of former federal prisoners.

There is no general prohibition against hiring employees with a criminal history; however, regulations do prevent their employment in certain positions. Most of the bill’s major provisions would codify an existing regulation that delays inquiries into the criminal history of potential employees until later in the hiring process.¹ Therefore, CBO estimates that implementing H.R. 1076 would cost less than \$500,000 annually; any spending would be subject to the availability of appropriated funds.

Enacting H.R. 1076 could affect direct spending by some agencies (such as the Tennessee Valley Authority) because they are authorized to use receipts from fees, the sale of goods, and

1. See Recruitment, Selection, and Placement (General) and Suitability, 81 Fed. Reg. 86555 (January 3, 2017), <https://go.usa.gov/xEf84>.

other collections to cover their operating costs. Because most of those agencies can adjust the amounts they collect as operating costs change, CBO estimates that any net changes in direct spending by those agencies would be negligible.

H.R. 1076 mandates that employees who violate the bill's provisions repeatedly would be required to pay civil penalties. Therefore, H.R. 1076 could increase the collection of civil fines from federal employees who inquire about an applicant's criminal history prematurely. Because civil penalties are recorded in the federal budget as revenues, enacting the legislation could increase revenues. CBO estimates that such increases would not be significant in any year.

On March 8, 2019, CBO transmitted a cost estimate for S. 387, the Fair Chance to Compete for Jobs Act of 2019, as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on February 13, 2019. The two bills are similar and CBO's estimates of the budgetary effects are the same.

The CBO staff contacts for this estimate are David Hughes and Matthew Pickford. This estimate was reviewed by H. Samuel Papenfuss, Assistant Director for Budget Analysis.