

At a Glance

H.R. 745, Executive Branch Comprehensive Ethics Enforcement Act of 2019

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

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	*	*
Deficit Effect	0	*	*
Spending Subject to Appropriation (Outlays)	0	140	n.e.

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.e. = not estimated; * = between -\$500,000 and \$500,000.

The bill would

- Reauthorize the U.S. Office of Government Ethics (OGE) for 2019 through 2023
- Reform and expand OGE's operations

Estimated budgetary effects would primarily stem from

- Spending of the authorized appropriations for OGE over the 2019-2023 period
- The cost of the expanding OGE's role and responsibilities

Detailed estimate begins on the next page.



Bill Summary

H.R. 745 would reauthorize the operations of the U.S. Office of Government Ethics, strengthen OGE’s roles, and authorize the agency to investigate and adjudicate ethics violations in the executive branch.

Estimated Federal Cost

The estimated budgetary effect of H.R. 745 is shown in Table 1. The costs of the legislation fall within budget function 800 (general government).

Table 1.
Estimated Increases in Spending Subject to Appropriation Under H.R. 745

	By Fiscal Year, Millions of Dollars						2019-2024
	2019	2020	2021	2022	2023	2024	
Reauthorize the Office of Government Ethics							
Estimated Authorization ^a	0	18	18	19	20	0	75
Estimated Outlays	0	17	18	18	20	2	75
Other Provisions							
Estimated Authorization	0	5	10	15	15	20	65
Estimated Outlays	0	5	10	15	15	20	65
Total Changes							
Estimated Authorization	0	23	28	34	35	20	140
Estimated Outlays	0	22	28	33	35	22	140

a. The Office of Government Ethics received an appropriation of \$17 million for 2019.

Basis of Estimate

For this estimate, CBO assumes that H.R. 745 will be enacted near the end of fiscal year 2019 and that the necessary amounts will be appropriated each year beginning in 2020. Estimated outlays are based on historical spending patterns.

OGE oversees ethics programs in the executive branch and works with around 5,000 ethics personnel in about 130 agencies. The office issues rules and advises more than 2.7 million federal employees on ethical conduct. It also oversees a financial disclosure system covering more than 26,000 public and nearly 400,000 confidential disclosure reports from federal employees.



Spending Subject to Appropriation

In total, CBO estimates that implementing the bill would cost \$140 million over the 2019-2024 period.

Reauthorize the Office of Government Ethics. Section 2 of the bill would authorize the appropriation of whatever amounts are necessary to operate OGE over the 2019-2023 period. In 2019, OGE received an appropriation of \$17 million. CBO estimates that the cost of continuing OGE's current activities, including adjustments for anticipated inflation, would total \$75 million over the 2020-2024 period.

Other Provisions. Section 4 of the bill would expand OGE's responsibilities to include investigating possible ethics violations, reviewing violations and determining appropriate disciplinary actions, and making information about agency activities available to the public online. Under H.R.745 federal agencies would need to provide additional information to OGE on their compliance with ethic laws and would need to expand ethics training for all employees.

CBO expects that OGE's expanded role under the bill would be similar to other agencies such as the Office of Special Counsel (OSC) and the Federal Labor Relations Authority (FLRA). OSC investigates allegations of prohibited personnel practices, prosecutes violators of civil service rules and regulations, and enforces the Hatch Act. The FLRA administers labor-management relations for 2.1 million non-postal federal employees. (For 2019, OSC received an appropriation of \$27 million and the FLRA received \$26 million.) Based on the costs of those activities at OSC, the FLRA, and other similar agencies, CBO estimates that OGE's costs would increase gradually as it developed its investigative and disciplinary capabilities. In addition, the agencies that work with OGE would face increased administrative costs because of more and different interactions with OGE. In total, CBO estimates that implementing section 4 would cost \$5 million in 2020 and \$65 million over the 2020-2024 period.

Revenues

Enacting H.R. 745 could affect federal revenues if OGE's expanded role led to the detection of more violations of ethics laws. The collection of civil penalties are recorded in the budget as revenues. However, CBO does not estimate that there would be any significant increase in ethics violations and associated penalties under H.R. 745.

Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget reporting and enforcement procedures for legislation affecting direct spending and revenues. CBO estimates that enacting H.R. 745 would increase revenues by an insignificant amount over the 2019-2029 period.



Increase in Long-Term Deficits: None

Mandates: None

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