Congressional Budget Office
Cost Estimate

November 21, 2019

S. 2618, Bonuses for Cost-Cutters Act of 2019

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on November 6, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	0	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	*	not estimated

Statutory 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

* = between -$500,000 and zero.

Under current law, an inspector general (IG) of a federal agency can pay bonuses to employees who identify waste, fraud, or mismanagement of funds. S. 2618 would authorize agencies to pay bonuses to employees who identify unnecessary expenditures from amounts provided for agencies' salaries and expenses. Under the bill, if an agency's IG and Chief Financial Officer agree that funds appropriated to the agency are no longer required, then 90 percent of those surplus amounts would be transferred to the Treasury. The agency would retain 10 percent of the surplus funds and could use them to pay a bonus to employees who identified those surplus amounts, or for other authorized purposes.

If appropriated amounts returned to the Treasury are from appropriations enacted before the enactment of S. 2618, the bill would reduce direct spending. If the process envisioned under S. 2618 results in fewer expenditures from funds appropriated in the future, implementing the bill would reduce spending subject to appropriation. However, CBO has no basis for estimating the size of any such reductions under the bill.

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