

At a Glance

H.R. 1140, Rights for Transportation Security Officers Act of 2020

As reported by the House Committee on Homeland Security on February 21, 2020

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	1,769	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = between zero and \$500,000.

The bill would

- Repeal the authority of the Transportation Security Administration (TSA) to establish or modify a personnel management system for its employees
- Subject TSA employees to all provisions of title 5 of the *United States Code*
- Require TSA to compensate its employees under the General Schedule (GS) classification and pay system

Estimated budgetary effects would primarily stem from

- The costs of higher salaries and benefits most TSA employees would receive under the GS system compared with the agency's current pay system
- The administrative costs associated with implementing the new system

Areas of significant uncertainty include

- Determining the classification of TSA positions under the GS system
- Estimating the effect of potential changes in TSA's spending that might result from collective bargaining

Detailed estimate begins on the next page.

Bill Summary

H.R. 1140 would repeal the authority of the Transportation Security Administration (TSA) to establish or modify a personnel management system for its employees. Instead, those employees would become subject to the provisions of title 5 of the *United States Code*. They would receive compensation under the General Schedule (GS) instead of the agency’s current system and would be granted collective bargaining rights. Within seven days of enactment, the Secretary of the Department of Homeland Security would be required to consult with a specified labor organization to formulate plans and schedules to carry out the transition, and the agency would be required to complete the conversion within 180 days of enactment.

Estimated Federal Cost

The estimated budgetary effect of H.R. 1140 is shown in Table 1. The costs of the legislation fall within budget function 400 (transportation).

Table 1.							
Estimated Increases in Spending Subject to Appropriation Under H.R. 1140							
	By Fiscal Year, Millions of Dollars						2020-2025
	2020	2021	2022	2023	2024	2025	
Increased Compensation							
Estimated Authorization	0	231	360	373	385	398	1,747
Estimated Outlays	0	196	341	371	383	396	1,687
Other Implementation Costs							
Estimated Authorization	*	16	16	17	17	18	84
Estimated Outlays	*	14	16	17	17	18	82
Total Changes							
Estimated Authorization	*	247	376	390	402	416	1,831
Estimated Outlays	*	210	357	388	400	414	1,769

* = between zero and \$500,000.

Basis of Estimate

For this estimate, CBO assumes that the bill will be enacted in fiscal year 2020. Under that assumption, TSA could incur some costs in 2020, but CBO expects that most of the costs would be incurred in 2021 and later. Any spending would be subject to the availability of appropriated funds. CBO assumes that the conversion would require the full 180 days allowed under the bill. Nevertheless, information from TSA and the National Finance Center suggests that the transition could take longer than the period required by the bill. Outlay estimates are based on historical spending patterns for TSA compensation.

Spending Subject to Appropriation

CBO estimates that implementing H.R. 1140 would cost \$1.8 billion over the 2020-2025 period, assuming appropriation of the necessary amounts.

Increased Compensation. The legislation would make several changes to current law related to the personnel system for TSA employees. In 2020, TSA allocated \$5.4 billion for employee compensation (pay and benefits). According to TSA, employee fringe benefits, which are the equivalent of about a third of an employee's pay, include health insurance coverage, the agency share of payroll taxes, life insurance coverage, certain retirement contributions, and other smaller benefits.

CBO estimates that the reclassification required under the bill would result in most employees receiving a salary increase; none would have their pay reduced.

Using information from TSA, CBO expects that the 11,000 employees in the bottom pay band of TSA's current system would be classified within the 10 steps of the GS-5 pay grade; the 27,000 employees in the next-lowest pay band would be classified within the 10 steps of the GS-7 pay grade. Using data on salary and fringe benefits provided by TSA and the Office of Personnel Management, CBO estimates the conversion would increase average annual compensation (pay and benefits) by about \$900 in 2021 for employees reclassified at the GS-5 level and by about \$3,400 for those reclassified as GS-7.

Another 26,000 employees, in higher pay bands with jobs requiring additional responsibilities, would be classified at higher GS pay grades and would receive annual compensation increases averaging about \$9,700.

Assuming that the conversion would be completed about four months into fiscal year 2021 and that the necessary appropriations are provided, CBO estimates that moving TSA's employees to the General Schedule would increase the agency's costs by about \$200 million in 2021 and by \$1.7 billion over the 2021-2025 period. That estimate includes the expectation that annual costs would rise with inflation and that if employees currently receive a higher salary than the prescribed range under their assumed GS grade, those employees would experience no change in compensation under the bill.

Other Implementation Costs. CBO expects that under H.R. 1140, TSA would incur costs to move from its current personnel system to a system based on collective bargaining, particularly to execute the transition and to hire specialists in labor relations. Using information from other federal agencies on the costs of supporting personnel systems that allow collective bargaining, as well as information from TSA, CBO estimates that such costs would total about \$0.1 billion over the 2020-2025 period.

Uncertainty

The costs of converting from the TSA personnel system to the General Schedule depend in large part on how employees are classified under GS pay grades. Because TSA position

classifications have never been part of the General Schedule, CBO cannot predict how the roughly 64,000 employees currently under that pay system would ultimately be assigned within the GS system. Thus, estimates of the cost of that conversion are subject to considerable uncertainty.

CBO also has no basis on which to estimate the effects of changes in TSA's spending that might result from future collective bargaining. Although those costs could be significant, particularly over the longer term, CBO has not included any such costs in this estimate.

Pay-As-You-Go Considerations: None.

Increase in Long-Term Deficits: None.

Mandates: None.

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