Congressional Budget Office
Cost Estimate

November 3, 2023

At a Glance

S. 3029, Honoring Civil Servants Killed in the Line of Duty Act

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on October 25, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2028	2024-2033
Direct Spending (Outlays)	*	1	3
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	1	3
Spending Subject to Appropriation (Outlays)	1	16	37

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2034?	**< $2.5 billion**	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 2034?	**< $5 billion**	Contains intergovernmental mandate?	**No**
		Contains private-sector mandate?	**No**

* = between zero and $500,000.

The bill would
- Increase payments to family (or another specified individual) of federal civilian employees killed in the line of duty to $100,000
- Adjust those payments annually to account for inflation
- Increase the funeral benefits paid for federal employees
- Require the Government Accountability Office to report annually on payments made under the bill and to occasionally audit those payments

Estimated budgetary effects would mainly stem from
- Increased payments to families of federal civilian employees who died while on the job

Areas of significant uncertainty include
- The number of payments agencies would be required to make annually

Detailed estimate begins on the next page.

See also
CBO's Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

Bill Summary

S. 3029 would increase the death gratuity and funeral benefits for federal employees who die while on the job.

Estimated Federal Cost

The estimated budgetary effect of S. 3029 is shown in Table 1. The direct spending costs of the legislation fall within all budget functions except 900 (net interest), 920 (allowances), and 950 (offsetting receipts).

Table 1.
Estimated Budgetary Effects of S. 3029

	By Fiscal Year, Millions of Dollars											
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2024-2028	2024-2033
Increases in Spending Subject to Appropriation												
Estimated Authorization	3	4	5	4	4	4	5	4	4	4	20	41
Estimated Outlays	1	3	4	4	4	4	5	4	4	4	16	37
Increases in Direct Spending												
Estimated Budget Authority	*	*	1	*	*	1	*	*	1	*	1	3
Estimated Outlays	*	*	1	*	*	1	*	*	1	*	1	3
Memorandum:												
Intergovernmental Collections	*	*	-1	*	*	*	-1	*	*	*	-1	-2

* = between -$500,000 and $500,000.

a. Intragovernmental collections from federal agencies to the Department of Labor to pay for federal workers' funeral benefits paid to representatives of deceased federal employees.

Basis of Estimate

For purposes of this estimate, CBO assumes S. 3029 would be enacted near the start of calendar year 2024.

Spending Subject to Appropriation

CBO estimates that implementing S. 3029 would increase spending subject to appropriation by $16 million over the 2024-2028 for death gratuities and funeral benefits (see Table 2).

Table 2.
Estimated Increases in Spending Subject to Appropriation Under S. 3029

	By Fiscal Year, Millions of Dollars					
	2024	2025	2026	2027	2028	2024-2028
Increased Death Gratuity						
Estimated Authorization	3	4	4	4	4	19
Estimated Outlays	1	3	3	4	4	15
Funeral Benefits						
Estimated Authorization	*	*	1	*	*	1
Estimated Outlays	*	*	1	*	*	1
Total Changes						
Estimated Authorization	3	4	5	4	4	20
Estimated Outlays	1	3	4	4	4	16

* = between zero and $500,000.

Increased Death Gratuity. Section 2 of the bill would boost the limit on payments that federal agencies make for death gratuities for an employee who dies while performing their duties from $10,000 to $100,000, with subsequent adjustments each year to account for inflation. Those payments would be paid from federal agencies' salaries and expense accounts, which are largely classified as discretionary spending.

Using information from the Department of Labor (DOL), CBO estimates that about 40 employees die each year in the course of performing their duties. Enacting section 2 would increase death gratuities by $90,000 part way through 2024, and by somewhat larger amounts in future years. (Some spending would occur in years after an employee's death because of the timing of the death and delays in processing the resulting payments.) On that basis, and assuming appropriation of the necessary amounts, CBO estimates that implementing section 2 would increase discretionary costs by $15 million over the 2024-2028 period and $35 million over the 2024-2033 period.

Additionally, the bill would provide inflation adjustments to death gratuities paid when federal employees die in connection with the employee's service with the Armed Forces in a contingency operation. Based on information from the Department of Defense, CBO does not expect that implementing that provision would have a significant cost.

Funeral Benefits. Section 3 of S. 3029 would increase the maximum amount that DOL can reimburse the personal representative of a deceased federal employee for funeral costs under the Federal Employees' Compensation Act (FECA) from $800 to $8,800, with subsequent adjustments each year to account for inflation. CBO expects that most people would receive the maximum funeral benefit. Those payments are classified as direct spending and are discussed below under the heading "Direct Spending." In turn, the claimant's employing agency would reimburse the FECA account from discretionary appropriations. (Those reimbursements are shown in the memorandum line in Table 1.) CBO estimates that increasing the funeral benefit would increase spending subject to appropriation for reimbursements by $1 million over the 2024-2028 period and $2 million over the 2024-2033 period.

Government Accountability Office (GAO) Reports and Audits. Section 8 of the bill would require GAO to report annually on the total amount of death gratuity payments made under the bill. No more than three years after enactment and periodically thereafter, GAO would be required to audit the payments made under the bill. Based on information from GAO, CBO estimates that implementing section 8 would increase spending subject to appropriation by an insignificant amount annually and over the 2024-2033 period.

Direct Spending

CBO estimates that increasing the funeral benefit under FECA would increase direct spending by $3 million over the 2024-2033 period, as shown in Table 1. That cost is slightly more than the amount agencies would reimburse DOL because reimbursements from agency appropriations are generally made some time after the benefits are paid. The receipt of those reimbursements is not counted as having an effect on the deficit because the payments are dependent on future appropriations.

Uncertainty

The number of federal employees who die in the course of their duties could vary considerably from CBO's estimates. Terrorist attacks, natural disasters, pandemics, wars, or other exogenous events could significantly increase the number of federal employees who die on the job. CBO has no basis to assess the likelihood of any of those events, or the extent to which those events would change the number of employee deaths per year compared with what we estimated for purposes of this estimate.

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 or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown under the "Direct Spending" heading in Table 1.

Increase in Long-Term Net Direct Spending and Deficits

CBO estimates that enacting S. 3029 would not increase net direct spending by more than $2.5 billion in any of the four consecutive 10-year periods beginning in 2034.

CBO estimates that enacting S. 3029 would not increase on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2034.

Mandates

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

Estimate Prepared By

Federal Costs:

Dan Ready (federal pay)
Meredith Decker (FECA)

Mandates: Andrew Laughlin

Estimate Reviewed By

Barry Blom
Chief, Projections Unit

Elizabeth Cove Delisle
Chief, Income Security Cost Estimates Unit

Christina Hawley Anthony
Deputy Director of Budget Analysis

Estimate Approved By

Phillip L. Swagel
Director, Congressional Budget Office