Congressional Budget Office
Cost Estimate

February 13, 2026

# H.R. 5235, Skills-Based Federal Contracting Act of 2025

**As ordered reported by the House Committee on Oversight and Government Reform on December 2, 2025**

| By Fiscal Year, Millions of Dollars | 2026 | 2026-2031 | 2026-2036 |
|---|---|---|---|
| Direct Spending (Outlays) | * | * | * |
| Revenues | 0 | 0 | 0 |
| Increase or Decrease (-) in the Deficit | * | * | * |
| Spending Subject to Appropriation (Outlays) | 0 | * | not estimated |

| | | | |
|---|---|---|---|
| Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2037? | No | 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 2037? | No | Contains intergovernmental mandate? | No |
| | | Contains private-sector mandate? | No |

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

H.R. 5235 would prohibit federal agencies from including minimum education requirements in contract solicitations and instead require the use of skills-based assessments, unless the agency provides a written justification for retaining such requirements. The bill would require the Office of Management and Budget to issue guidance within 180 days of enactment and the Government Accountability Office to complete an evaluation, within three years of enactment, of the use of skills-based assessments in the federal government.

Based on recent governmentwide initiatives, including the General Service Administration's efforts to use skills-based hiring for information technology contracts, CBO expects that H.R. 5235 would build on and expand existing practices. Accordingly, CBO anticipates that implementing H.R. 5235 would not significantly affect the operating costs of federal agencies. Based on the costs of similar reports, CBO estimates that satisfying the reporting requirements would cost less than $500,000 over the 2026-2031 period; any related spending would be subject to the availability of appropriated funds.

Enacting H.R. 5235 also could affect direct spending by some agencies that are allowed to use fees, receipts from the sale of goods, and other collections to cover operating costs. CBO

estimates that any net changes in direct spending by those agencies would be negligible because most of them can adjust amounts collected to reflect changes in operating costs.

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

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