



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 15, 2018

H.R. 5415 GAO-IG Act

*As ordered reported by the House Committee on Oversight and Government Reform
on May 23, 2018*

H.R. 5415 would amend federal law to require all agencies to report on the status of any Government Accountability Office (GAO) and Office of Inspector General (IG) recommendations concerning their agencies in annual budget justification documents. That report would include information on the status of implementing each recommendation and an explanation of why any recommendations have not been implemented.

GAO spent approximately \$600 million dollars in 2017 to investigate how the federal government spends its funds and produced more than 1,400 recommendations to improve government operations. In addition, more than 70 federal IGs spend about \$2.5 billion a year to detect and deter fraud, waste, and abuse. In fiscal year 2016, IGs produced over 5,000 audit, investigation, and evaluation reports. CBO is not aware of any comprehensive information on the status of the recommendations those offices issue. However, information from GAO and IGs indicates that some agencies track which of their recommendations have not been implemented. CBO expects, however, that additional administrative work would be necessary to report on all open recommendations.

Based on the type and scope of the necessary work, CBO estimates that implementing the bill would require 15 percent of the time of one employee and cost around \$20,000 per agency each year. That spending would be subject to the availability of appropriated funds and would amount to \$5 million over the 2019-2023 period.

Enacting H.R. 5415 could affect direct spending by agencies that are not funded through annual appropriations; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net increase in spending by those agencies would be negligible. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 5415 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

On March 28, 2018, CBO transmitted a cost estimate for S. 2178, the Inspector General Recommendation Transparency Act of 2018 as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on February 14, 2018. The two pieces of legislation are similar and CBO's estimate of their costs are the same.

H.R. 5415 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

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