



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 23, 2018

H.R. 6194 **REAL Reform Act of 2018**

*As ordered reported by the House Committee on Transportation and Infrastructure
on June 27, 2018*

H.R. 6194 would amend federal law to provide new authority to the General Services Administration (GSA) and the Department of Homeland Security's Federal Protective Service (FPS) to manage federal real estate assets and security at those facilities. The bill would require GSA to prepare several reports for the Congress, and it would direct the Government Accountability Office (GAO) to audit GSA's national broker contract. Finally, the legislation would require that lactation rooms be available in all federal buildings that are open to the public.

Using information from GSA and the FPS, CBO estimates that implementing H.R. 6194 would cost \$4 million over the 2019-2023 period, mostly for GSA to report to the Congress on a variety of subjects, including a comparison of the cost of owning or leasing space, an explanation of why the costs of construction projects exceed their initial estimates, a review of current rental rates, an analysis of the use of refrigerants in equipment installed in federal buildings, a report on the effects that federal buildings have on birds, and a study and plan for helping federal buildings withstand extreme weather events. CBO estimates that it would cost GAO less than \$500,000 annually to prepare the required audit. CBO also estimates that providing the FPS with additional law enforcement authority would not have a significant cost. Using information from GSA, CBO estimates that the requirement to establish lactation rooms in federal buildings would have an insignificant cost because it would apply only to federal buildings that are open to the public and that already have lactation rooms designated for use by federal employees.

CBO also reviewed provisions of the legislation that would require GSA to build a new headquarters for the Department of Energy (DOE), to be financed by exchanging or selling DOE's current headquarters in the Forrestal Building Complex in Washington, D.C. Using information from GSA and property developers, CBO expects that constructing a new DOE headquarters could not be accomplished solely through a sale or exchange of the current facility, but would require the expenditure of additional appropriated funds that the bill does not authorize. Under H.R. 6194, if a new headquarters facility could not be built, GSA would be directed to sell any underused or

vacant property in the Forrestal Complex. Using information from GSA, CBO expects that enacting the bill would not result in additional property sales beyond those that otherwise would occur under current law.

In addition, section 14 of H.R. 6194 would allow agencies to lease back for up to three years any property sold through the Public Building Reform Board. CBO cannot determine whether this provision would have a budgetary effect because that board is not currently operating and whether the board will be operating within the next five years is unclear. Moreover, under current law, a federal building occupied by federal employees is not generally available for sale. (Any sale of a currently occupied federal building would lead to additional future costs to build or lease new facilities.) Those additional costs could range from a few hundred thousand dollars to hundreds of millions of dollars depending on the type and location of the facilities that would need to be replaced.

Enacting the legislation would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 6194 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 6194 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.