Congressional Budget Office
Cost Estimate

August 9, 2019

S. 2119, Stop Improper Federal Bonuses Act

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on July 24, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	*	*

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 2030?	**No**	Contains intergovernmental mandate?	**No**
		Contains private-sector mandate?	**No**

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

S. 2119 would prohibit federal agencies from awarding a bonus to an employee for five years following an adverse finding against that employee. The bill defines an adverse finding as a determination that an employee either has violated agency policy for which the employee could be removed or suspended from employment for 14 or more days, or has broken the law and could be imprisoned for more than one year. Under S. 2119, any employee who received a bonus in the same year as an adverse finding would need to repay the bonus to the agency.

Under current law, there are no restrictions on awarding bonuses to federal employees. Information from the Department of Veterans Affairs and the Internal Revenue Service indicates that some employees with conduct and performance issues have received bonuses. However, recent memorandums issued by the Office of Personnel Management direct agencies to reward the highest performing employees using rigorous standards. While CBO expects that the bill would make it more difficult to award bonuses to employees with performance issues it would not change the total amount of bonuses that could be awarded nor add any significant administrative costs to agencies. Therefore, CBO estimates that implementing S. 2119 would not have a significant budgetary effect.

Enacting S. 2119 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 contacts for this estimate are Matthew Pickford and Dan Ready. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.