

At a Glance

S. 1116, Federal Firefighters Fairness Act of 2022

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on May 25, 2022

| By Fiscal Year, Millions of Dollars | 2022 | 2022-2027 | 2022-2032 |
|--|---------------|-------------------------------------|-----------|
| Direct Spending (Outlays) | 0 | 7 | 26 |
| Revenues | 0 | 0 | 0 |
| Increase or Decrease (-) in the Deficit | 0 | 7 | 26 |
| Spending Subject to Appropriation (Outlays) | 0 | 6 | 27 |
| 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 2033? | < \$5 billion | Contains intergovernmental mandate? | No |
| | | Contains private-sector mandate? | No |

* = between zero and \$500,000.

The bill would

- Increase the number of firefighters and other federal employees who can receive federal workers' compensation benefits under the Federal Employees' Compensation Act

Estimated budgetary effects would mainly stem from

- Additional spending for workers' compensation benefits

Areas of significant uncertainty include

- Estimating the incidence of disease among federal firefighters

Detailed estimate begins on the next page.



Bill Summary

S. 1116 would expand eligibility for federal workers engaged in fire protection who have certain diseases and conditions to receive medical, wage replacement, and death benefits under the Federal Employees’ Compensation Act (FECA). The bill would also extend the length of time FECA claimants have to provide documentation to the Department of Labor (DOL).

Estimated Federal Cost

The estimated budgetary effects of S. 1116 are shown in Table 1. The costs of the legislation fall within budget functions 300 (natural resources), 550 (health) and 600 (income security).

Table 1.
Estimated Budgetary Effects of S. 1116

| | By Fiscal Year, Millions of Dollars | | | | | | | | | | | 2022- 2027 | 2022- 2032 |
|---|-------------------------------------|------|------|------|------|------|------|------|------|------|------|---------------|---------------|
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | | |
| Net Increases in Direct Spending | | | | | | | | | | | | | |
| Estimated Budget Authority | 0 | * | 1 | 1 | 2 | 2 | 3 | 3 | 4 | 4 | 5 | 7 | 26 |
| Estimated Outlays | 0 | * | 1 | 1 | 2 | 2 | 3 | 3 | 4 | 4 | 5 | 7 | 26 |
| Increases in Spending Subject to Appropriation | | | | | | | | | | | | | |
| Estimated Authorization | 0 | * | 1 | 1 | 2 | 2 | 3 | 4 | 4 | 5 | 5 | 6 | 27 |
| Estimated Outlays | 0 | * | 1 | 1 | 2 | 2 | 3 | 4 | 4 | 5 | 5 | 6 | 27 |
| Memorandum: | | | | | | | | | | | | | |
| Intragovernmental Collections ^a | 0 | * | -1 | -1 | -2 | -2 | -3 | -4 | -4 | -5 | -5 | -6 | -27 |

Components may not sum to totals because of rounding; * = between -\$500,000 and \$500,000.

a. Intragovernmental collections from federal agencies to the Department of Labor to pay for federal workers’ compensation benefits paid to those agencies’ employees.

Basis of Estimate

For this estimate, CBO assumes that S. 1116 will be enacted by the end of calendar year 2022 and that the estimated amounts will be available in each year. Estimated outlays are based on historical spending patterns for the affected programs.

Direct Spending

Under current law, federal employees are eligible for workers’ compensation benefits, including medical expenses, disability payments, and death payments to survivors, if they can demonstrate a connection between their federal employment and their injury or illness. S. 1116 would confer presumptive eligibility for such benefits upon federal firefighters if



they contract certain diseases, including heart disease, lung disease, and certain cancers. Based on the rates of incidence, disability, and death associated with those diseases, CBO estimates that more than 400 people would newly qualify for benefits over the next decade than would qualify under current law. CBO estimates that providing such additional FECA benefits would increase direct spending by \$29 million over the 2022-2032 period.

Some claimants who would receive FECA benefits under the legislation would have received other federal benefits under current law. When such claimants qualify for FECA benefits, spending from other programs could be reduced. Enacting the bill would reduce the federal government's share of health care premiums for federal retirees under the Federal Employees Health Benefits program because costs for covered medical conditions would be paid under FECA. In addition, spending for some disability programs could be lower but CBO expects that reduction would not be significant. After accounting for those effects, which would total \$3 million over the 10-year period, CBO estimates that enacting S. 1116 would, on net, increase mandatory spending by \$26 million over the 2022-2032 period.

S. 1116 would extend the period of time that FECA claimants have to provide additional documentation to DOL, if the agency has determined more evidence is needed to support their claim. Using information about current practices, CBO estimates that this provision would result in a negligible increase in direct spending over the next 10 years.

Spending Subject to Appropriation

FECA costs are charged back to a claimant's employing agency and those amounts are paid from the agency's salaries and expense accounts. (Most federal firefighters are employed by the Departments of Agriculture and the Interior.) Based on the timing of those reimbursements, CBO estimates that S. 1116 would increase discretionary costs for salaries and expenses by a total of \$27 million over the 2022-2032 period; most of the costs would be borne by those two departments. Any spending would be subject to the availability of appropriated funds. Those reimbursements would be transferred to and credited to the FECA account, as shown in the memorandum line in Table 1.

Uncertainty

The disease incidence among federal firefighters and other workers engaged in fire protection is a significant source of uncertainty in the estimate. CBO estimates that a higher percentage of those workers would be diagnosed with heart disease, lung disease, and certain cancers compared to the general population, based on studies of firefighters' relative risk of contracting these diseases. If the incidence of disease differs from CBO's estimates, spending might be higher or lower than estimated.



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 are subject to those pay-as-you-go procedures are shown in Table 1.

Increase in Long-Term Deficits

CBO estimates that enacting S. 1116 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2033.

Mandates: None.

Previous CBO Estimate

On April 19, 2022, CBO transmitted a [cost estimate for H.R. 2499](#), the Federal Firefighters Fairness Act of 2022, as ordered reported by the House Committee on Education and Labor on March 16, 2022. Both pieces of legislation would expand eligibility for federal workers engaged in fire protection who have certain diseases and conditions to receive FECA benefits. The Senate bill also would provide more time for FECA claimants to provide documentation. Differences in the estimated costs between the two pieces of legislation are primarily because of different assumed enactment dates.

Estimate Prepared By

Federal Costs:

Meredith Decker (federal workers' compensation)

Stuart Hammond (Federal Employees Health Benefits)

Mandates: Andrew Laughlin

Estimate Reviewed By

Elizabeth Cove Delisle

Chief, Income Security Cost Estimates Unit

H. Samuel Papenfuss

Deputy Director of Budget Analysis