Congressional Budget Office
Cost Estimate

April 19, 2022

At a Glance

H.R. 2499, Federal Firefighters Fairness Act of 2022

As ordered reported by the House Committee on Education and Labor on March 16, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	*	5	22
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	5	22
Spending Subject to Appropriation (Outlays)	0	5	23

Statutory pay-as-you-go procedures apply?	**Yes**	**Mandate Effects**	
		Contains intergovernmental mandate?	**No**
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	**< $5 billion**	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

H.R. 2499 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).

Estimated Federal Cost

The estimated budgetary effects of H.R. 2499 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 H.R. 2499

	By Fiscal Year, Millions of Dollars											
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022-2026	2022-2031
Net Increases in Direct Spending												
Estimated Budget Authority	*	1	1	1	2	2	3	3	4	4	5	22
Estimated Outlays	*	1	1	1	2	2	3	3	4	4	5	22
Increases in Spending Subject to Appropriation												
Estimated Authorization	0	1	1	1	2	2	3	4	4	5	5	23
Estimated Outlays	0	1	1	1	2	2	3	4	4	5	5	23
Memorandum:												
Intragovernmental collections[a]	0	-1	-1	-1	-2	-2	-3	-4	-4	-5	-5	-23

Components may not sum to totals because of rounding; * = between zero 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 H.R. 2499 will be enacted in fiscal 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. H.R. 2499 would confer presumptive eligibility for such benefits upon firefighters and other federal workers engaged in fire protection 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 between 300 and 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 $24 million over the 2022-2031 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. In addition, after accounting for those effects, which would total $2 million over the 10-year period, CBO estimates that enacting H.R. 2499 would, on net, increase mandatory spending by $22 million over the 2022-2031 period.

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 H.R. 2499 would increase discretionary costs for salaries and expenses by a total of $23 million over the 2022-2031 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 H.R. 2499 would not increase on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2032.

Mandates: None.

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