



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 25, 2007

### **S. 274**

### **Federal Employee Protection of Disclosures Act**

*As ordered reported by the Senate Committee on Homeland Security  
and Governmental Affairs on June 13, 2007*

S. 274 would amend the Whistleblower Protection Act (WPA). The bill would clarify current law and give new protections to federal employees who report abuse, fraud, and waste involving government activities. The legislation also would make several changes to the laws governing the Merit Systems Protection Board (MSPB) and the Office of Special Counsel (OSC), which implement provisions of the WPA.

CBO estimates that implementing S. 274 would cost \$2 million a year and \$10 million over the 2008-2012 period, assuming appropriation of the necessary amounts. Enacting the legislation would not affect direct spending or revenues. S. 274 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

Under current law, the OSC investigates complaints regarding reprisal against federal employees that inform authorities of fraud or other improprieties in the operation of federal programs (such individuals are known as whistleblowers). The OSC seeks corrective action for valid complaints. If agencies fail to take corrective action, the OSC or the employee can pursue a case through the MSPB for resolution. Whistleblower cases may also be reviewed by the U.S. Court of Appeals.

According to the MSPB and OSC, there generally are between 400 and 500 whistleblower cases per year. S. 274 would expand the definition of protected whistleblowing, create new avenues of appeal for employees who lose their security clearances in retaliation for whistleblowing, authorize the OSC to become more involved in such cases, and suspend the U.S. Court of Appeals exclusive jurisdiction over whistleblower appeals for five years. In 2007, the MSPB received an appropriation of \$36 million, and the OSC received \$15 million.

CBO expects that the bill's changes in whistleblower laws would add to the workload of the MSPB and OSC by increasing their involvement with individual cases and increasing administrative costs. Based on information from those agencies, we estimate that implementing this bill would cost up to \$2 million a year to cover additional staffing, travel, and security clearance reviews.

On March 9, 2007, CBO provided a cost estimate for H.R. 985, the Whistleblower Protection Enhancement Act of 2007, as ordered reported by the House Committee on Oversight and Government Reform on February 12, 2007. The House bill contains additional provisions that CBO estimates would be more costly to implement. As compared to S. 274's estimated cost of \$2 million a year, H.R. 985 would cost about \$5 million a year to implement.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.