



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 30, 2006

### **S. 2146**

#### **A bill to extend relocation expenses test programs for federal employees**

*As ordered reported by the Senate Committee on Homeland Security  
and Governmental Affairs on June 15, 2006*

With the approval of the General Services Administration (GSA), federal agencies were able to test new and innovative methods of reimbursing their employees for travel and relocation expenses without seeking a waiver of current rules or law prior to the start of fiscal year 2005. (The authority for such relocation expense test programs expired on October 20, 2005.) S. 2146 would reauthorize the relocation expenses test program until October 20, 2009.

CBO estimates that implementing S. 2146 would reduce federal administrative expenses associated with employee reimbursement by about \$15 million annually, assuming amounts provided in appropriation acts are correspondingly reduced. Enacting the legislation would not affect direct spending or revenues. S. 2146 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 existing Federal Travel Regulation (FTR) requirements, certain relocation expenses must be reimbursed, including transportation and per diem for travel to the employee's new duty station, real estate sales and settlement expenses, and the transportation and storage of household goods. Other expenses that may be reimbursed at an agency's discretion are costs associated with finding a home, securing temporary quarters, and the use of a relocation service company.

Before authority to operate a relocation expenses test program expired, the U.S. Customs and Border Protection and the Federal Bureau of Investigation each initiated a voluntary relocation program. Those programs allowed employees being transferred to arrange and pay for their own moves using a predetermined lump-sum payment rather than submitting expense reports to obtain reimbursement. Based on information from GSA, CBO estimates that the two agencies reduced moving costs by about \$15 million annually by implementing test programs outside of the requirements of the FTR. Assuming a similar level of participation, CBO estimates that implementing S. 2146 would reduce relocation costs by

about \$15 million a year. Those savings would be achieved only to the extent that amounts provided in appropriation acts are correspondingly reduced.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Jeffrey Holland, Chief, Projections Unit.