



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 2, 2008

**S. 1924
Federal Firefighters Fairness Act of 2008**

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on June 25, 2008*

SUMMARY

S. 1924 would expand eligibility for federal firefighters with certain diseases and conditions to receive medical, wage replacement, and death benefits under the Federal Employees' Compensation Act (FECA).

CBO estimates that, on net, enacting S. 1924 would increase direct spending for benefits for firefighters by \$2 million in 2009 and \$26 million over the 2009-2018 period. Enacting the bill would not affect revenues.

Because employing agencies ultimately bear the cost of federal workers' compensation claims, CBO estimates that discretionary costs for salaries and expenses would rise along with the FECA claims. Assuming appropriation of the necessary amounts, CBO estimates that spending subject to appropriation would increase by \$25 million over the 2009-2018 period.

S. 1924 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1924 is shown in the following table. The costs of this legislation fall within budget function 600 (income security).

	By Fiscal Year, in Millions of Dollars										2009-	2009-
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2013	2018
CHANGES IN DIRECT SPENDING												
Estimated Budget Authority	2	2	2	3	3	3	3	3	3	3	12	26
Estimated Outlays	2	2	2	3	3	3	3	3	3	3	12	26
CHANGES IN SPENDING SUBJECT TO APPROPRIATION												
Estimated Authorization Level	1	2	3	3	3	3	3	3	3	3	11	27
Estimated Outlays	1	2	2	3	3	3	3	3	3	3	10	25
Memorandum:												
Intragovernmental Collections from Agencies to Pay for FECA Costs	-1	-2	-2	-3	-3	-3	-3	-3	-3	-3	-10	-25

Notes: Components may not sum to totals because of rounding.

FECA = Federal Employees' Compensation Act.

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that S. 1924 will be enacted near the start of fiscal year 2009.

Direct Spending

S. 1924 would make federal firefighters who contract certain diseases presumptively eligible for benefits under FECA. The specified diseases include heart disease, lung disease, certain cancers, tuberculosis, hepatitis A, B, or C, and human immunodeficiency disease. Affected federal firefighters would be eligible for federal workers' compensation benefits, including medical expenses, disability payments, and death payments to survivors. Based on the incidence, disability, and death rates for the specified diseases, CBO estimates that between 200 and 300 people per year, on average, would qualify for benefits. CBO estimates that providing FECA benefits for eligible firefighters would increase direct spending by \$28 million over the 2009-2018 period.

Costs under FECA would be partially offset by small savings in federal disability and Federal Employees Health Benefits payments. For those claimants who would have been able to

qualify for federal disability payments under current law, those disability payments would be replaced by FECA payments. In addition, the federal government's share of health care premiums for retirees would decline slightly as costs for covered medical conditions would be paid by FECA. After accounting for those offsets (\$2 million over the 10-year period), CBO estimates that, on net, enacting S. 1924 would increase mandatory spending by \$26 million over the 2009-2018 period.

Spending Subject to Appropriation

Because FECA costs ultimately are charged back to the claimant's employing agency, the costs are borne by those agencies' salaries and expense accounts. Therefore, CBO estimates that enacting S. 1924 would increase discretionary costs for salaries and expenses governmentwide by a total of \$25 million over the 2009-2018 period, assuming appropriation of the estimated amounts. Those reimbursements would be transferred to and credited to the FECA account, as shown in the memorandum line in the table above.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1924 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Christina Hawley Anthony

Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum

Impact on the Private Sector: Paige Piper/Bach

ESTIMATE APPROVED BY:

Keith J. Fontenot

Deputy Assistant Director for Health and Human Resources,

Budget Analysis Division