

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 2067 will be enacted late in 2013, and that appropriations will be provided as estimated.

Currently, 123 employees at the TBB are under an alternative pay system in which their yearly pay raises are tied to their performance ratings. Those participants, who are mostly chemists and auditors, are eligible to receive both merit increases (until they reach the top of their pay band) and bonuses. Authority for those employees to participate in the performance-based system expires at the end of fiscal year 2013.

Based on information from the TBB, CBO anticipates that the bureau would implement H.R. 2067 by making this existing system permanent (rather than by creating a new performance-based pay system). We also expect that the number of eligible employees would remain roughly the same. Under the current performance-based system, compensation would probably increase more quickly than it would under the General Schedule, and many employees could be paid bonuses in excess of what they would otherwise be eligible to receive. As a result, based on information provided by the TBB about the salaries of employees currently in the performance-based system, CBO estimates that implementing H.R. 2067 would cost \$5 million over the 2014-2018 period, assuming appropriation of the necessary amounts.

The bill also would require GAO to submit a report, within one year of the establishment of TBB's permanent compensation system, that evaluates the system and other demonstration projects. CBO estimates that reporting requirement would cost less than \$500,000 in 2015.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2067 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Santiago Vallinas

Impact on State, Local, and Tribal Governments: Elizabeth Cove Delisle

Impact on the Private Sector: Paige Piper/Bach

ESTIMATE APPROVED BY:

Theresa Gullo

Deputy Assistant Director for Budget Analysis