



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 30, 2016

H.R. 5920 **Whistleblower Protections for Contractors Act**

*As ordered reported by the House Committee on Oversight and Government Reform
on September 15, 2016*

H.R. 5920 would amend federal law to permanently extend legal protections to certain nonfederal employees (contractors, subcontractors, grantees, and others employed by entities that receive federal funds) who report waste, fraud, or abuse involving federal funds. Specifically, under the bill, anyone who reports the misuse of federal funds could not be demoted, discharged, or discriminated against because of the disclosure. The current four-year pilot program that extends those same protections ends in December 2016.

The cost to implement H.R. 5920 would depend on the number of whistleblower claims made by those nonfederal employees. Evidence from the pilot program that currently protects certain nonfederal employees from such discrimination suggests that the number of such claims brought by such employees has totaled less than 20 for each of the 26 major federal agencies. CBO estimates that implementing H.R. 5920 would cost about \$3,000 to investigate each claim, or about \$5 million over the 2017-2021 period. Any such spending would be subject to the availability of appropriated funds. Enacting the bill could affect direct spending by agencies not funded through annual appropriations; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net increase in spending by those agencies would be negligible. Enacting H.R. 5920 would not affect revenues.

CBO estimates that enacting H.R. 5920 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 5920 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.

On May 27, 2016, CBO transmitted a cost estimate for S. 795, a bill to enhance whistleblower protection for contractor and grantee employees, as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on February 10, 2016. The two pieces of legislation are similar and CBO's estimates of their budgetary effects are the same.

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