



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 26, 2017

**S. 1094
Department of Veterans Affairs Accountability and Whistleblower
Protection Act of 2017**

*As ordered reported by the Senate Committee on Veterans' Affairs
on May 24, 2017*

SUMMARY

S. 1094 would modify administrative and personnel procedures of the Department of Veterans Affairs (VA) and reorganize the Office of Accountability and Whistleblower Protection. CBO estimates that implementing S. 1094 would increase costs by \$3 million over the 2018-2022 period; such spending would be subject to the availability of appropriated funds.

Enacting the bill would affect direct spending over the 2017-2027 period; therefore, pay-as-you-go procedures apply. However, CBO estimates those effects would not be significant. Enacting S. 1094 would not affect revenues.

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 1094 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 effects of S. 1094 are shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

	By Fiscal Year, in Millions of Dollars						2017- 2022
	2017	2018	2019	2020	2021	2022	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION^a							
Estimated Authorization Level	0	2	*	*	*	*	3
Estimated Outlays	0	2	*	*	*	*	3

Notes: Components may not sum to totals because of rounding; * = -\$500,000 to \$500,000.

a. In addition to the discretionary costs shown above, enacting the bill would reduce direct spending over the 2018-2027 period by an insignificant amount.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1094 will be enacted near the beginning of fiscal year 2018, that sufficient funds will be available each year, and that outlays will follow historical spending patterns for the affected programs.

Appeals Process for Health Employees

Section 208 would significantly shorten all stages of the appeals process for major adverse actions (such as dismissal, demotion, or suspension) involving the professional conduct or competence of a medical practitioner at VA. About 45 such actions are appealed each year. CBO expects that the shortened time frame for review of appeals cases would require:

- Using additional administrative staff;
- Training additional medical professionals to serve on the disciplinary boards that review appeals to insure that a board can be convened during the shortened timeframe; and
- Providing medical care to veterans in the absence of the VA medical professionals during their training for the board.

Based on the costs of administrative staff, travel and training for medical professionals, and medical care for VA patients, CBO estimates that implementing this section would cost \$2 million over the 2018-2022 period.

Assessment of Senior Executives Service Employees

Section 210 would require VA to complete a review and assessment within two years of enactment, on the effect of changes to performance appraisals and management training on the morale and effectiveness of the department's senior executive service employees. Based on the requirements of the review and assessment, CBO estimates that completing that review and assessment would cost about \$1 million over the 2018-2022 period.

Authority to Recoup Awards and Bonuses and Relocation Expenses

Sections 204 and 205 would give VA the authority to recoup all or part of awards, bonuses, and relocation expenses paid by VA if the department determines that such repayment is appropriate. Affected employees would have to be provided with a notice of recoupment and an opportunity to respond. An employee also would be provided the opportunity to appeal the decision to another agency of the federal government.

The new authority would apply to payments made by VA after the date of enactment. Based on discussions with the department, CBO expects that both provisions would be used infrequently, primarily to recoup payments made to senior VA employees who were determined to have committed a serious violation of the department's standards of conduct.

In recovering overpayments made to employees, federal agencies have several options: they can require lump-sum or installment payments, or they can use salary offsets—regular deductions from bi-weekly payroll payments. Based on general practices at federal agencies, CBO expects that in most cases VA would offset future salary payments. Such offsets would reduce discretionary costs. Because CBO believes that this authority would be used infrequently, and because employees could avoid recoupment by leaving the department, we estimate that implementing those sections would decrease personnel costs by less than \$500,000 over the 2018-2022 period. In those cases where VA would require a lump-sum or installment repayment, the funds would generally be deposited in the Treasury and would be considered a reduction in direct spending.

Whistleblower Matters

Title 1 would codify the recently established Office of Accountability and Whistleblower Protection (OAWP), modify its responsibilities, and revise training requirements dealing with whistleblower complaints. Under current law, the OAWP advises and assists the Secretary of VA on matters related to protecting whistleblowers and disciplining or terminating employees guilty of wrongdoing.

Under title 1, OAWP also would be responsible for tracking and reviewing investigations and audits performed by various entities, including the Inspector General of the department

and the Comptroller General of the United States, and overseeing disciplinary actions and other corrective actions recommended by those entities. In addition, OAWP would be required to gather and analyze data and report on wrongdoing in the department. Finally, under title 1, the existing requirement to train all employees on the rights of whistleblowers every year would be changed to once every other year. CBO estimates that, on net, those changes would have an insignificant budgetary effect.

Reports

The bill would require VA to conduct a number of studies. Based on the costs of similar activities, CBO estimates that meeting those requirements would cost less than \$500,000 over the 2018-2022 period.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. S. 1094 would reduce retirement benefits for VA employees convicted of certain crimes. CBO estimates that enacting that provision would reduce direct spending by less than \$500,000 over the 2017-2027 period. Enacting the bill would not affect revenues.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 1094 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1094 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On March 10, 2017, CBO transmitted an estimate for H.R. 1259, the VA Accountability First Act of 2017, as ordered reported by the House Committee on Veterans' Affairs on March 8, 2017. Several sections of S. 1094 are similar to sections of H.R. 1259 and the estimated costs reflect the differences in the bill language.

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