

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 3844

To require the Comptroller General of the United States to conduct a study of the impact of Federal reductions in force on State and local governments, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 11, 2026

Ms. ALSOBROOKS (for herself, Mr. VAN HOLLEN, Mr. WARNER, and Mr. PADILLA) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

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## A BILL

To require the Comptroller General of the United States to conduct a study of the impact of Federal reductions in force on State and local governments, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Fiscal Harms of Fed-  
5       eral Firing Act”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act:

1           (1) COMPTROLLER GENERAL.—The term  
2 “Comptroller General” means the Comptroller Gen-  
3 eral of the United States.

4           (2) REDUCTION IN FORCE.—The term “reduc-  
5 tion in force” means—

6                 (A) a reduction in force carried out under  
7 subchapter I of chapter 35 or section 3595 of  
8 title 5, United States Code; or

9                 (B) any other significant downsizing of  
10 employees occupying positions in the civil serv-  
11 ice, as defined in section 2101 of title 5, United  
12 States Code.

13           (3) STATE.—The term “State” means each of  
14 the several States, the District of Columbia, and  
15 each territory and possession of the United States.

16 **SEC. 3. FINDINGS.**

17 Congress finds the following:

18           (1) Reductions in force may—

19                 (A) displace workers, altering where af-  
20 fected individuals live and work across States  
21 and localities;

22                 (B) increase demand for State-adminis-  
23 tered services, including unemployment insur-  
24 ance, Medicaid, workforce retraining, housing  
25 assistance, and other social services; and

1 (C) reduce economic activity and tax reve-  
 2 nues in regions with high concentrations of  
 3 Federal employment.

4 (2) State and local governments vary signifi-  
 5 cantly in their fiscal capacity to absorb the short-  
 6 and long-term impacts of large-scale reductions in  
 7 force.

8 (3) As of the date of enactment of this Act,  
 9 there is no comprehensive Federal assessment of  
 10 how reductions in force affect State and local gov-  
 11 ernment budgets, revenues, and expenditures.

12 **SEC. 4. STUDY OF THE IMPACT OF FEDERAL REDUCTIONS**  
 13 **IN FORCE ON STATE AND LOCAL GOVERN-**  
 14 **MENT BUDGETS.**

15 (a) IN GENERAL.—The Comptroller General shall  
 16 conduct a comprehensive study on the impacts of reduc-  
 17 tions in force on the budgets of State and local govern-  
 18 ments.

19 (b) SCOPE OF STUDY.—The study conducted under  
 20 subsection (a) shall examine, at a minimum—

21 (1) the changes that reductions in force have on  
 22 State and local government expenditures relating  
 23 to—

24 (A) unemployment insurance;

25 (B) Medicaid and other health programs;

1 (C) workforce development and retraining;  
2 and

3 (D) housing and income assistance pro-  
4 grams;

5 (2) the impacts on State and local government  
6 tax revenues as a result of reductions in force, in-  
7 cluding revenue generated from income, sales, and  
8 property taxes;

9 (3) the regional economic effects resulting from  
10 reductions in force, including employment shifts and  
11 impacts on the private sector;

12 (4) the administrative and operational chal-  
13 lenges faced by State and local governments re-  
14 sponding to reductions in force;

15 (5) the differences in impacts that reductions in  
16 force have on State and local governments based  
17 on—

18 (A) the size and scale of a particular re-  
19 duction in force;

20 (B) the geographic concentration of Fed-  
21 eral employees in a particular region; and

22 (C) State and local government fiscal ca-  
23 pacity and labor market conditions;

24 (6) historical case studies of significant reduc-  
25 tions in force on State or local governments that

1 were carried out during the 20-year period preceding  
2 the date on which the Comptroller General of the  
3 United States commences the study; and

4 (7) strategies used by State and local govern-  
5 ments to mitigate the fiscal and economic impacts of  
6 reductions in force.

7 (c) CONSULTATION AND DATA COLLECTION.—

8 (1) CONSULTATION.—In conducting the study  
9 required under subsection (a), the Comptroller Gen-  
10 eral shall seek to consult with—

11 (A) State and local government—

12 (i) budget officers; and

13 (ii) workforce and labor agencies;

14 (B) offices of governors of States;

15 (C) relevant Federal agencies, including  
16 the Office of Personnel Management and the  
17 Department of Labor; and

18 (D) economists, labor market experts, and  
19 public finance researchers.

20 (2) DATA SOURCES.—In conducting the study  
21 required under subsection (a), the Comptroller Gen-  
22 eral may use administrative data, surveys, economic  
23 modeling, and publicly available fiscal and labor sta-  
24 tistics.

25 (d) REPORT TO CONGRESS.—

1           (1) IN GENERAL.—Not later than 18 months  
2 after the date of the enactment of this Act, the  
3 Comptroller General shall submit to the Committee  
4 on Homeland Security and Governmental Affairs of  
5 the Senate, the Committee on Health, Education,  
6 Labor, and Pensions of the Senate, the Committee  
7 on Education and Workforce of the House of Rep-  
8 resentatives, and the Committee on Oversight and  
9 Government Reform of the House of Representatives  
10 a report regarding the study conducted under sub-  
11 section (a).

12           (2) CONTENTS.—The report required under  
13 paragraph (1) shall include—

14           (A) findings and analysis from the study  
15 conducted under subsection (a), including—

16           (i) an analysis of whether each reduc-  
17 tion in force studied improved the effi-  
18 ciency of the agency that carried out that  
19 reduction in force; and

20           (ii) any recommendations, including  
21 recommendations for statutory or adminis-  
22 trative changes to provide support for—

23           (I) individuals displaced by re-  
24 ductions in force; and

1 (II) State and local governments  
2 impacted by reductions in force;

3 (B) an identification of State and local  
4 governments that experienced the greatest fiscal  
5 effects of reductions in force;

6 (C) the projected short- and long-term  
7 budgetary impacts on State and local govern-  
8 ments as a result of reductions in force; and

9 (D) policy options for Congress to consider  
10 with respect to the impacts of reductions in  
11 force on the budgets of State and local govern-  
12 ments, including potential Federal assistance,  
13 coordination mechanisms, or advance planning  
14 tools.

15 (3) PUBLIC AVAILABILITY.—The Comptroller  
16 General shall make the report submitted under para-  
17 graph (1) publicly available on the website of the  
18 Government Accountability Office.

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