Congressional Budget Office
Cost Estimate

June 3, 2019

S. 580, Presidential Allowance Modernization Act of 2019

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on May 15, 2019

Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	*
Revenues	0	0	0
Deficit Effect	0	0	*
Spending Subject to Appropriation (Outlays)	0	0	n.e.

Pay-as-you-go procedures apply?	Yes	**Mandate Effects**	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

n.e. = not estimated; * = between -$500,000 and zero.

S. 580 would decrease the pensions of former Presidents. (CBO considers such payments to be direct spending.) The bill also would effectively eliminate their allowances for staff, office space, and related expenses. (CBO considers those types of payments to be spending subject to appropriation.) The bill would apply only to Presidents who enter office after the date of enactment.

Under current law, Presidents who leave office will receive an annual pension of between $220,000 and $280,000. The bill would reduce those amounts by about $25,000 for affected Presidents. Because that reduction would only apply to the pensions of Presidents who enter office after enactment, the earliest date it could affect spending would be in 2025. CBO estimates that the reduction in pensions would save less than $20,000 per year on average through 2029.

On April 9, 2019, CBO transmitted an estimate for H.R. 1496, the Presidential Allowance Modernization Act of 2019. Although some aspects of the bills are similar, H.R. 1496 would apply to both current and future Presidents whereas S. 580 would apply only to future Presidents. That difference is reflected in the cost estimates.

The CBO staff contact for this estimate is Dan Ready. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.