CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 12, 2016

S. 2829
Maritime Administration Authorization and Enhancement Act for Fiscal Year 2017

As passed by the Senate on June 29, 2016

SUMMARY

S. 2829 would reauthorize programs administered by the National Oceanic and Atmospheric Administration (NOAA) and the Maritime Administration (MARAD). The act would require those agencies to establish certain personnel-related policies, particularly to prevent sexual harassment and assault within those agencies and related institutions, and make a variety of other changes to federal policies and regulations related to maritime programs and related activities. Assuming appropriation of the authorized and estimated amounts, CBO estimates that implementing S. 2829 would cost $944 million over the 2017-2021 period.

Enacting the legislation would affect direct spending and revenues; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any such effects would be insignificant in any given year. CBO estimates that enacting S. 2829 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

S. 2829 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the costs of those mandates would fall below the annual thresholds established in UMRA for intergovernmental and private-sector mandates ($77 million and $154 million in 2016, respectively, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of S. 2829 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment) and 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	2017	2018	2019	2020	2021	2017-2021
INCREASES IN SPENDING SUBJECT TO APPROPRIATION [a]						
NOAA Hydrographic Activities						
Authorization Level	183	183	183	183	0	732
Estimated Outlays	119	156	178	183	64	700
NOAA Personnel Policies						
Estimated Authorization Level	6	6	6	6	6	30
Estimated Outlays	4	6	6	6	6	28
MARAD Activities						
Authorization Level	216	0	0	0	0	216
Estimated Outlays	183	22	11	0	0	216
Total Increases						
Estimated Authorization Level	405	189	189	189	6	978
Estimated Outlays	306	184	195	189	70	944

Note: NOAA = National Oceanic and Atmospheric Administration; MARAD = Maritime Administration.

a. Enacting S. 2829 also would have an insignificant effect on direct spending and revenues.

BASIS OF ESTIMATE

For this estimate CBO assumes that S. 2829 will be enacted near the start of fiscal year 2017 and that appropriations will be provided each fiscal year. Estimates of outlays are based on historical spending patterns for NOAA and MARAD.

Spending Subject to Appropriation

CBO estimates that S. 2829 would authorize appropriations totaling $978 million over the 2017-2021 period. That amount includes $762 million for programs administered by NOAA and $216 million for programs administered by MARAD. CBO estimates that outlays would total $306 million in 2017 and $944 million over the next five years.

Hydrographic Activities. Title III would authorize the appropriation of $183 million a year over the 2017-2021 period to carry out hydrographic activities, including nautical mapping and charting, collecting hydrographic data, maintaining a geodetic reference system, and measuring tides and currents. In 2015, NOAA allocated $183 million to carry out similar activities. Assuming appropriation of the authorized amounts, CBO estimates that implementing title III would cost $700 million over the 2017-2021 period.

Personnel Policies. Implementing the personnel policies in the act would increase discretionary costs by almost $30 million over the 2017-2021 period, CBO estimates.

Sexual Harassment Policy. Title I would require NOAA to develop a policy to prevent and respond to sexual harassment within the agency, and would require NOAA to designate people in 11 locations throughout the country to handle matters related to equal employment opportunities and sexual harassment. The act also would require the agency to place victims' advocates at each of those locations. CBO expects that the agency would fill up to 44 positions through a combination of training existing staff and hiring new employees. Based on information from NOAA about the level of expertise required and incorporating the related overhead costs, CBO estimates that each new hire for this work would cost about $160,000 a year. Finally, the act would require NOAA to staff a 24-hour hotline for victims of sexual assault, which CBO expects would require eight new employees. Based on information provided by NOAA regarding salary and training costs, CBO estimates that implementing title I would cost about $25 million over the 2017-2021 period.

Recruiting. Title II would authorize NOAA to spend appropriated funds to recruit members for the commissioned officer corps. On average, the corps admits about 30 new members each year. Based on the cost of recruiting for the other uniformed services, CBO estimates that implementing this provision would cost less than $500,000 a year.

Title II also would authorize NOAA to pay certain expenses related to higher education for people serving in the commissioned officer corps or those who commit to serve in the corps after completing a college degree. Based on information provided by the agency about the number of officers who would receive such assistance, CBO estimates that implementing this provision would cost less than $200,000 a year.

MARAD Activities. MARAD is primarily responsibility for overseeing the nation's merchant marine, comprising civilian mariners and the fleet of U.S. vessels engaged primarily in waterborne commerce. S. 2829 would authorize appropriations totaling $216 million in 2017 for certain activities carried out by MARAD. (The agency received $183 million for such activities in 2016.) That authorized amount includes:

- $100 million for the U.S. Merchant Marine Academy, which trains officers for the merchant marine, branches of the military, and the transportation industry;
- $57 million for operations and program support provided by MARAD's headquarters;
- $30 million to provide financial and other support to state maritime academies;

- $20 million for the cost of disposing of obsolete vessels in the National Defense Reserve Fleet;

- $6 million to analyze the need for a multi-mission vessel to support training needs of state maritime academies and to assist in responding to disasters; and

- $3 million for the costs of administering loan guarantees to construct or modernize U.S. vessels or shipyards.

Based on historical spending patterns for MARAD's activities, CBO estimates that the resulting outlays would total $183 million in 2017 and $216 million over the 2017-2019 period.

Direct Spending and Revenues

S. 2829 also contains provisions that would affect direct spending and revenues. CBO estimates that enacting those provisions would, in total, have no significant net effect on direct spending or revenues.

- Section 502 would modify the timing and accounting methodology for reimbursements made by the U.S. Coast Guard to the Department of Defense (DoD) for health care provided to Coast Guard retirees (and current members) at DoD facilities. Because spending for the health care of retirees of the Coast Guard originates from mandatory appropriations, changes in reimbursements could affect direct spending. However, on the basis of information provided by the Coast Guard and DoD, CBO estimates the net effects of such changes would be insignificant in any year.

- Section 724 would establish service requirements for individuals enlisting in NOAA's commissioned officer corps and require individuals who fail to meet those requirements to repay NOAA an amount equal to the costs incurred to train that person. Based on information from NOAA, we estimate that any repayments from officers who fail to meet service requirements under the act would be insignificant (such payments would be offsetting receipts, which are credits against direct spending).

- Section 739 would establish criminal fines that could be charged to individuals who wear the uniform of NOAA's commissioned officer corps without proper authorization. CBO estimates that any increased criminal penalties under S. 2829 (which would be recorded as revenues) would be insignificant due to the small number of likely cases; such amounts would be fully offset by a corresponding increase in direct spending, resulting in a negligible net effect on the deficit.

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. CBO estimates that enacting S. 2829 would have an insignificant effect on both direct spending and revenues.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 2829 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2829 would impose intergovernmental and private-sector mandates as defined in UMRA. CBO estimates that the costs of those mandates would fall below the annual thresholds established in UMRA for intergovernmental and private-sector mandates ($77 million and $154 million in 2016, respectively, adjusted annually for inflation).

Mandates that Apply to Public and Private Entities

The act could increase the costs of complying with existing mandates by making personnel in the NOAA commissioned officer corps eligible for protections under the Uniformed Services Employment and Reemployment Rights Act (USERRA). Protections under that act require public and private employers to grant various allowances to members of the uniformed services. Because the increase in the number of servicemembers covered by USERRA would be so small (fewer than 400), CBO estimates that the incremental cost of compliance also would be small.

Mandates that Apply to Public Entities Only

The act would exempt NOAA officers from an obligation to serve on juries if the service unreasonably conflicts with official duties or would adversely affect the readiness of a unit, command, or activity. By expanding this exemption to NOAA officers, the legislation would preempt some state and local laws governing jury duty; however, that preemption would impose no duty on state or local governments that would result in additional spending or a loss of revenues.

Mandates that Apply to Private Entities Only

The act would prohibit individuals from wearing the uniform of the NOAA commission officer corps without authorization. CBO expects that the prohibition would affect few individuals. Consequently, the cost of the mandate would be negligible.

PREVIOUS CBO ESTIMATE

On June 29, 2016, CBO transmitted a cost estimate for S. 2206, the National Oceanic and Atmospheric Administration Sexual Harassment and Assault Prevention Act, as ordered reported by the Senate Committee on Commerce, Science, and Transportation on November 18, 2015. S. 2206 is similar to title VIII of S. 2829, and the CBO's estimates of the budgetary effects of those provisions are the same.

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