

**S. 3412, Guidance Clarity Act of 2020**

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on March 11, 2020

By Fiscal Year, Millions of Dollars	2021	2021-2025	2021-2030
Direct Spending (Outlays)	*	*	*
Revenues	<b>0</b>	<b>0</b>	<b>0</b>
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Statutory pay-as-you-go procedures apply?	<b>Yes</b>	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	<b>No</b>	Contains intergovernmental mandate?	<b>No</b>
		Contains private-sector mandate?	<b>No</b>
* = between zero and \$500,000.			

S. 3412 would require federal agencies to include text in their guidance documents to clarify that such guidance is not legally binding. Guidance documents typically explain how regulations are interpreted by the agency but do not carry the force of law. Agencies disseminate guidance to the public in memorandums, notices, bulletins, directives, news releases, letters, blog posts, or speeches.

CBO expects that placing a clarifying statement in each guidance document would not significantly increase agencies' administrative costs. CBO estimates that the administrative expenses associated with implementing S. 3412 would cost less than \$500,000 over the 2021-2025 period; any spending would be subject to the availability of appropriated funds.

Enacting S. 3412 could affect direct spending by some agencies that are allowed to use fees, receipts from the sale of goods, and other collections to cover operating costs. CBO estimates that any net changes in direct spending by those agencies would be negligible because most of them can adjust amounts collected to reflect changes in operating costs.

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