

**S. 2722, SWAG Act**

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 -\$500,000 and \$500,000.			

S. 2722 would prohibit federal agencies from using federal funds to purchase, acquire or distribute swag, which the bill defines as tangible products or merchandise distributed at no cost with the sole purpose of advertising or promoting an agency, organization, or program. The bill would allow certain exceptions, including items that generate a positive return on investment to agencies or that are used for recruitment, and mascots related to the Armed Forces. Under S. 2722, each agency would be required to report on its spending for public relations and advertising for the previous fiscal year, and the Office of Management and Budget would be required to issue implementing regulations.

CBO estimates that implementing the bill would have an insignificant net effect on spending subject to appropriation. Based on the cost of similar administrative activities, CBO expects that the new administrative and reporting requirements would cost less than \$500,000. Because of the exceptions in the bill, CBO expects that any reduction in spending on swag and mascots would not be significant.

Enacting S. 2722 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 Sofia Guo. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.