

### At a Glance

## S. 2981, National Oceanic and Atmospheric Administration Commissioned Officer Corps Amendments Act of 2019

As ordered reported by the Senate Committee on Commerce, Science, and Transportation on December 11, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	0	10	29
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	10	29
Spending Subject to Appropriation (Outlays)	0	1	not estimated

Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

#### The bill would

- Waive the Antideficiency Act to allow the National Oceanic and Atmospheric Administration (NOAA) to enter into long-term leases and colocation agreements with governmental and nonprofit entities
- Establish service requirements for NOAA commissioned officers and require officers who fail to meet those requirements to reimburse NOAA for training costs
- Authorize NOAA to pay some education expenses for commissioned officers or people committing to serve as commissioned officers after completing a college degree

#### Estimated budgetary effects would primarily stem from

- The costs of leases and colocation agreements
- The costs of education assistance for certain commissioned officers
- The amount of reimbursements received from NOAA officers who failed to meet service requirements

#### Areas of significant uncertainty include

- Estimating the number and timing of leases and colocation agreements NOAA would enter into under the bill

**Detailed estimate begins on the next page.**

## Bill Summary

S. 2981 would authorize the National Oceanic and Atmospheric Administration (NOAA) to enter into long-term leases and colocation agreements with government and nonprofit entities without a fiscal year limitation. The bill also would modify personnel policies for NOAA’s commissioned officer corps.

## Estimated Federal Cost

The estimated budgetary effect of S. 2981 is shown in Table 1. The costs of the legislation fall within budget function 300 (natural resources and environment).

**Table 1.**  
**Estimated Budgetary Effects of S. 2981**

	By Fiscal Year, Millions of Dollars											2020-2025	2020-2030
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
<b>Increases in Direct Spending</b>													
Estimated Budget Authority	0	4	4	4	4	4	4	4	4	4	4	20	40
Estimated Outlays	0	0	1	2	3	4	4	4	4	4	4	10	29

Components may not sum to totals because of rounding.

Implementing the bill also would increase spending subject to appropriation by less than \$500,000 annually and by a total of \$1 million over the 2021-2025 period.

## Basis of Estimate

For this estimate, CBO assumes that S. 2981 will be enacted early in fiscal year 2021.

### Direct Spending

CBO estimates that enacting S. 2981 would increase direct spending by \$29 million over the 2020-2030 period.

**Lease and Colocation Agreements.** Section 502 would waive the Antideficiency Act, allowing NOAA to enter into noncompetitive leases or colocation agreements without regard to the availability of appropriations.<sup>1</sup> The section also would authorize NOAA to enter into such leases or agreements with state or local governments or nonprofit organizations, including universities, for up to 30 years.

1. Colocation agreements establish a relationship between a tenant and a customer of the tenant engaging in collaborative activities in the tenant’s space. In this case, NOAA could be the tenant or the customer, although in most cases CBO expects that NOAA would be the customer.

Under current law, NOAA uses more than 90 buildings around the country, including office buildings, warehouses, laboratories, and data centers, which are leased at an average cost of about \$160,000 annually by the General Services Administration (GSA). NOAA also partners with universities to complete scientific research. Using information from NOAA, CBO expects that the agency would use the authority provided under S. 2981 to enter into leases or colocation agreements with partners at university facilities to complete long-term, collaborative research.

Based on similar authority provided to other agencies, CBO expects that some leases and colocation agreements would contain terms for NOAA's university partners or third parties to build or renovate facilities for specialized uses. Some of those projects would be considered governmental because they would be largely subject to NOAA's control and because NOAA would be a major user of the services supported or provided by those facilities. Thus, in CBO's view, transactions related to development and construction under that authority should be considered governmental with their costs recorded in the budget. Furthermore, by waiving the Antideficiency Act with respect to entering into agreements, spending for those activities would not be limited by annual appropriations; thus, those costs would be considered direct spending.

Using information from GSA on the costs of NOAA's current leases, CBO estimates that the lifetime cost of each lease or colocation agreement would be \$5 million, on average. Using information about NOAA facilities that currently house collaborative research and that require physical improvements, CBO expects that under the bill NOAA would enter into eight such agreements over the 2021-2030 period. For this estimate, the budget authority for those agreements is distributed evenly across the 2021-2030 period because CBO cannot predict when NOAA would enter into those agreements. CBO estimates that spending on the additional leases and colocation agreements would total \$30 million over the 2020-2030 period. Estimated outlays follow spending patterns for similar activities.

**Service Requirements for the Commissioned Officer Corps.** S. 2981 would establish requirements for people enlisting in NOAA's commissioned officer corps. Under the bill, any officer who fails to meet those requirements would be obligated to repay NOAA an amount equal to the costs incurred by NOAA for training plus any financial assistance for education expenses that the officer received. Using information from NOAA on the cost of such training, CBO estimates that such repayments would total about \$1 million over the 2020-2030 period.

### **Spending Subject to Appropriation**

The bill would authorize NOAA to pay some expenses related to the costs of education for people serving in the commissioned officer corps or who commit to serve after completing a college degree. Using information about the number of officer candidates

recruited each year, CBO expects that around 30 current and former students would receive such assistance over the 2021-2025 period. On the basis of information from the Department of Education on the costs of postsecondary education that would be eligible for assistance under the bill, the current subsistence allowances provided by other uniformed services, and anticipated inflation, CBO estimates that implementing S. 2981 would cost \$1 million over the 2020-2025 period. Such spending would be subject to the availability of appropriated funds.

**Uncertainty**

CBO’s estimate of direct spending under S. 2981 is uncertain because both the number and the timing of lease and colocation agreements that NOAA would enter into would depend on NOAA’s future decisions. If NOAA entered into more or fewer than the eight agreements anticipated for the 2020-2030 period, the bill’s costs could be higher or lower than estimated.

**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. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 2.

**Table 2.**  
**CBO’s Estimate of the Statutory Pay-As-You-Go Effects of S. 2981, the National Oceanic and Atmospheric Administration Commissioned Officer Corps Amendments Act of 2019, as Ordered Reported by the Senate Committee on Commerce, Science, and Transportation on December 11, 2019**

	By Fiscal Year, Millions of Dollars											2020-2025	2020-2030	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030			
	<b>Net Increase in the Deficit</b>													
Pay-As-You-Go Effect	0	0	1	2	3	4	4	4	4	4	4	4	10	29

**Increase in Long-Term Deficits**

CBO estimates that enacting S. 2981 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2031.

**Mandates:** None.

**Previous CBO Estimate**

On October 22, 2019, CBO transmitted a [cost estimate for H.R. 2406](#), the National Oceanic and Atmospheric Administration Commissioned Officer Corps Amendments Act of 2019, as ordered reported by the House Committee on Natural Resources on September 18, 2019.

Provisions in titles I through IV of S. 2981 (relating to the Commissioned Officer Corps) are similar to provisions of H.R. 2406 and CBO's estimates of their costs are the same.

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