# Congressional Budget Office
## Cost Estimate

April 16, 2021

## At a Glance

### H.R. 51, Washington, D.C. Admission Act

**As ordered reported by the House Committee on Oversight and Reform on April 14, 2021**

| By Fiscal Year, Millions of Dollars | 2021 | 2021-2026 | 2021-2031 |
|---|---|---|---|
| Direct Spending (Outlays) | 0 | 2 | 3 |
| Revenues | 0 | 0 | 0 |
| Increase or Decrease (-) in the Deficit | 0 | 2 | 3 |
| Spending Subject to Appropriation (Outlays) | 0 | 39 | 83 |

| | | | |
|---|---|---|---|
| Statutory pay-as-you-go procedures apply? | **Yes** | **Mandate Effects** | |
| | | Contains intergovernmental mandate? | **No** |
| Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032? | **No** | Contains private-sector mandate? | **No** |

**The bill would**

- Admit Washington, D.C., as the 51st state of the United States as Washington, Douglass Commonwealth
- Provide the new state with same privileges and authority granted to all states, including two U.S. Senators and one Member of the House of Representatives

**Estimated budgetary effects would mainly stem from**

- Salaries, administrative, and office operation costs for two U.S. Senators

**Areas of significant uncertainty include**

- Quantifying future savings to the federal government if certain payments to the new state are lower than payments under current law to Washington, D.C.

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

See also *CBO's Cost Estimates Explained*, www.cbo.gov/publication/54437;
*How CBO Prepares Cost Estimates*, www.cbo.gov/publication/53519; and *Glossary*, www.cbo.gov/publication/42904.

## Bill Summary

H.R. 51 would admit the city of Washington, D.C., as the 51st state with the name of the State of Washington, Douglass Commonwealth. The new state would comprise all of the land currently included within the city's boundaries other than federal land as outlined in the bill. That excluded property, primarily the area around the National Mall, would be named the Capital. The new state would be provided with two U.S. Senators and one Member of the House of Representatives. Finally, the bill would outline new responsibilities for the state and establish a process for transferring certain powers from the federal government to the new state.

## Estimated Federal Cost

The estimated budgetary effect of H.R. 51 is shown in Table 1. The costs of the legislation fall within budget function 800 (general government).

**Table 1.**
**Estimated Budgetary Effects of H.R. 51**

| | By Fiscal Year, Millions of Dollars | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021-2026 | 2021-2031 |
| **Increases in Direct Spending** | | | | | | | | | | | | | |
| Estimated Budget Authority | 0 | * | * | * | * | * | * | * | * | * | * | 2 | 3 |
| Estimated Outlays | 0 | * | * | * | * | * | * | * | * | * | * | 2 | 3 |
| **Increases in Spending Subject to Appropriation** | | | | | | | | | | | | | |
| Estimated Authorization | 0 | 6 | 9 | 8 | 8 | 8 | 8 | 9 | 9 | 9 | 9 | 39 | 83 |
| Estimated Outlays | 0 | 6 | 9 | 8 | 8 | 8 | 8 | 9 | 9 | 9 | 9 | 39 | 83 |

Components may not sum to totals because of rounding; * = between zero and $500,000.

## Basis of Estimate

For this estimate, CBO assumes that the legislation will be enacted near the end of fiscal year 2021. Estimated outlays are based on historical spending patterns for the affected and similar activities.

## Direct Spending

Enacting H.R. 51 would provide the new state with two U.S. Senators and one Member of the House of Representatives and would permanently expand the size of the House of

Representatives from 435 to 436 Members. The District of Columbia is currently represented by a nonvoting delegate, a position that H.R. 51 would eliminate. Because each Member of the Congress, including a nonvoting delegate, is currently paid $174,000 annually, CBO estimates that there would be no additional cost for replacing D.C.'s delegate with a voting Member of the House of Representatives. Based on the current annual salary for Senators, adding two Senators would increase direct spending by $3 million over the 2021-2031 period.

CBO does not expect that enacting H.R. 51 would significantly affect most of the federal assistance payments that people in the District of Columbia currently receive. Under most assistance programs, the city is treated as a state and CBO expects that its residents would continue to receive federal assistance in the same manner after enactment.

**Spending Subject to Appropriation**

Each Senator receives about $4 million annually from appropriated funds for official and representational duties, including staffing costs. On that basis, CBO estimates additional staff for the new Senators would cost about $38 million over the 2021-2026 period, assuming appropriation of the estimated amounts. On average, each Representative receives about $1 million each year to cover official and representational duties. No additional cost for such activities is estimated because CBO expects that the staffing for the new Representative would be similar to that of the city's nonvoting delegate.

The bill also would establish an 18-member Statehood Transition Commission to advise the President, the Congress, and the government of the District of Columbia on the orderly transition to statehood. Members would serve without pay but would be reimbursed for travel expenses. The bill would authorize the commission to hold hearings, hire staff, and collect information from federal agencies. The commission would terminate within two years of the new state's admission to the Union. Based on the experience of similar commissions, CBO estimates the total cost would be a little more than $1 million over the 2022-2023 period; that spending would be subject to the availability of appropriated funds.

Finally, CBO expects the federal government would update some references to the new state (for example on websites) immediately but would make other changes (such as updating printed materials and its flags) over time. We estimate that the cost of those changes would be less than $500,000 over the next few years and would be subject to the availability of appropriated funds.

H.R. 51 contains several provisions that would transfer federal financial responsibilities to Washington, Douglass Commonwealth, when the new state provides notification that the relevant laws have been enacted and when sufficient funds are available to cover those activities. For fiscal year 2021, the Congress appropriated almost $750 million to provide the city with public defenders, courts, and education grants, in addition to mandatory pension costs of about $520 million. CBO has no basis to determine if or when those costs currently borne by the federal government would be covered by the new state.

**Uncertainty**

The biggest area of uncertainty concerns when the new state would take financial responsibility for activities that the federal government currently funds. The discretionary savings could total hundreds of millions of dollars a year, but when that would happen is uncertain and would depend both on actions by the new state to fund those activities and on reductions in appropriated spending by the Congress.

## 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 H.R. 51, the Washington D.C. Admission Act, as Ordered Reported by the House Committee on Oversight and Reform on April 14, 2021**

| | By Fiscal Year, Millions of Dollars | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021-2026 | 2021-2031 |
| | Net Increase in the Deficit | | | | | | | | | | | | |
| Pay-As-You-Go Effect | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 3 |

## Increase in Long-Term Deficits

CBO estimates that enacting H.R. 51 would not increase on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2031.

## Mandates

CBO has not reviewed section 221 of H.R. 51 for intergovernmental or private-sector mandates. Section 4 of the Unfunded Mandates Reform Act (UMRA) excludes from the application of that act any legislative provision that enforces constitutional rights of individuals. CBO has determined that section 221 falls within that exclusion because it would enforce constitutional rights related to voting.

The remaining provisions of H.R. 51 would not impose intergovernmental or private-sector mandates as defined in UMRA. The bill would establish the state of Washington, Douglass

Commonwealth, and require it to, among other things, adopt a constitution and organize elections for federal office. CBO does not consider those requirements to be mandates under UMRA because the state and the new duties would be established simultaneously. Therefore, there is no existing entity that would be obligated to comply with the new requirements.

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