December 13, 2021

CBO's Estimate of the Statutory Pay-As-You-Go Effects of S. 1605, The National Defense Authorization Act for Fiscal Year 2022, as Passed by the House of Representatives on December 7, 2021

	By Fiscal Year, Millions of Dollars											
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022-2026	2022-2031
	Net Change in the Deficit											
Pay-As-You-Go Effect	0	0	0	0	0	0	0	0	0	0	0	0
Memorandum:												
Changes in Outlays	**0**	**3**	**5**	**7**	**8**	**9**	**9**	**10**	**10**	**11**	**23**	**72**
Changes in Revenues	**0**	**3**	**5**	**7**	**8**	**9**	**9**	**10**	**10**	**11**	**23**	**72**

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 and revenues that are subject to those procedures are shown here.

CBO estimates that enacting S. 1605 would not increase on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2032.

S. 1605 would authorize appropriations for defense activities of the Department of Defense and other agencies. It also would prescribe policies and authorities for a wide range of activities related to national defense, including, but not limited to, personnel levels for active-duty and reserve components, military pay and benefits, operation and maintenance, and weapons acquisition. The changes in direct spending and revenues would arise from section 713, which would allow the Department of Defense (DoD) to levy fines on providers in the military health system who commit fraud and abuse. It also would allow DoD to retain and spend those amounts without further appropriation. Fines are classified in the budget as revenues, and the spending of those amounts would constitute direct spending. Other provisions in S. 1605 would have insignificant effects on direct spending and revenues.

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