October 19, 2022

Estimated Changes in Direct Spending and Revenues of H.R. 7900, the National Defense Authorization Act for Fiscal Year 2023

As Passed by the House of Representatives on July 14, 2022

https://www.congress.gov/117/bills/hr7900/BILLS-117hr7900eh.pdf

By Fiscal Year, Millions of Dollars

		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2023-2027	2023-2032
		Increases or Decreases (-) in Direct Spending											
Division E. Non-Department of Defense Matters													
Sec. 5406	Payment Choice Act[a]												
	Estimated Budget Authority	1	1	1	1	1	1	1	1	1	1	5	10
	Estimated Outlays	1	1	1	1	1	1	1	1	1	1	5	10
Sec. 5421	Small Home Mortgage Lending Under Community Reinvestment Act[b]												
	Estimated Budget Authority	*	*	0	0	0	0	0	0	0	0	1	1
	Estimated Outlays	*	*	0	0	0	0	0	0	0	0	1	1
Sec. 5423	Extension of the Central Liquidity Facility[c]												
	Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
	Estimated Outlays	-425	0	425	0	0	0	0	0	0	0	0	0
Sec. 5426	Study on Online Platforms and Tenant Screening Companies[d]												
	Estimated Budget Authority	1	1	0	0	0	0	0	0	0	0	2	2
	Estimated Outlays	1	1	0	0	0	0	0	0	0	0	2	2
Sec. 5435	Service Member Protections for Medical Debt[e]												
	Estimated Budget Authority	1	0	0	0	0	0	0	0	0	0	1	1
	Estimated Outlays	1	0	0	0	0	0	0	0	0	0	1	1
Sec. 5438	Fair Hiring in Banking[f]												
	Estimated Budget Authority	*	*	*	*	0	0	0	0	0	0	1	1
	Estimated Outlays	*	*	*	*	*	0	0	0	0	0	1	1
Sec. 5450	Veterans' Credit Ombudsman[g]												
	Estimated Budget Authority	2	2	2	2	2	2	2	2	2	2	9	19
	Estimated Outlays	1	1	2	2	2	2	2	2	2	2	7	17
Sec. 5461-5475	SAFE Banking Act[h]												
	Estimated Budget Authority	*	1	*	-1	-1	*	*	*	*	*	-1	*
	Estimated Outlays	*	1	*	-1	-1	*	*	*	*	*	-1	*
Sec. 5829	Transfer of Forfeited Russian Assets to Assist Ukraine[i]												
	Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
	Estimated Outlays	77	64	-20	-41	-27	-28	-14	-8	-3	0	53	0

See also CBO's Cost Estimates Explained, www.cbo.gov/publication/56166;
How CBO Prepares Cost Estimates, www.cbo.gov/publication/53519; and Glossary, www.cbo.gov/publication/42904.

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		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2023-2027	2023-2032
Sec. 5848	Elimination of Sentencing Disparity for Cocaine Offenses[j]												
	Estimated Budget Authority	52	61	66	66	61	58	49	44	42	41	306	539
	Estimated Outlays	52	61	66	66	61	58	49	44	42	41	306	539
Sec. 5881	Immigration Age-Out Protections[k]												
	Estimated Budget Authority	1	4	7	10	13	18	24	30	37	43	34	187
	Estimated Outlays	1	4	7	10	13	18	24	30	37	43	34	187
Sec. 5882	Medicare Improvement Fund[l]												
	Estimated Budget Authority	-29	0	0	0	0	0	0	0	0	0	-29	-29
	Estimated Outlays	-1	-1	-19	-4	-4	0	0	0	0	0	-29	-29
Sec. 5886	Hermit's Peak/Calf Canyon Fire[m]												
	Estimated Budget Authority	2,900	0	0	0	0	0	0	0	0	0	2,900	2,900
	Estimated Outlays	0	1,013	1,268	616	3	0	0	0	0	0	2,900	2,900
Sec. 5907	Firefighter Presumption of Cause of Death or Disability[n]												
	Estimated Budget Authority	-2	-2	-1	-1	*	*	1	1	1	2	-6	-1
	Estimated Outlays	-2	-2	-1	-1	*	*	1	1	1	2	-6	-1
Sec. 6601-6618	Promoting and Advancing Communities of Color Through Inclusive Lending[o]												
	Estimated Budget Authority	1	*	*	*	*	*	*	*	1	1	2	5
	Estimated Outlays	-525	273	124	90	35	4	1	*	*	1	-3	4
Sec. 6621	Study of Depository Institutions[p]												
	Estimated Budget Authority	1	1	0	0	0	0	0	0	0	0	2	2
	Estimated Outlays	1	1	0	0	0	0	0	0	0	0	2	2
Sec. 6631-6645	Ensuring Diversity in Community Banking Act[q]												
	Estimated Budget Authority	2	1	646	456	276	1	1	1	1	1	1,381	1,386
	Estimated Outlays	2	1	646	456	276	1	1	1	1	1	1,381	1,386
Subtotal, Division E													
	Estimated Budget Authority	2,931	71	721	533	353	80	78	80	85	92	4,609	5,023
	Estimated Outlays	-815	1,419	2,499	1,193	359	56	65	72	82	92	4,655	5,021

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		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2023-2027	2023-2032
Division H. Financial Transparency Act of 2022[r]													
	Estimated Budget Authority	5	16	21	20	17	10	10	11	11	11	79	130
	Estimated Outlays	4	14	19	20	18	11	10	11	11	11	75	128
Total Changes in Direct Spending													
	Estimated Budget Authority	**2,936**	**87**	**742**	**553**	**370**	**90**	**88**	**91**	**96**	**103**	**4,688**	**5,153**
	Estimated Outlays	**-811**	**1,433**	**2,518**	**1,213**	**377**	**67**	**75**	**83**	**93**	**103**	**4,730**	**5,149**
	Increases or Decreases (-) in Revenues												
Division E. Non-Department of Defense Matters													
Sec. 5406	Payment Choice Act[a]	15	*	*	*	*	*	*	*	*	*	13	11
Sec. 5421	Small Home Mortgage Lending Under Community Reinvestment Act[b]	3	*	*	*	*	*	*	*	*	*	3	2
Sec. 5435	Service Member Protections for Medical Debt[e]	0	0	0	0	0	0	0	0	0	1	0	1
Sec. 5438	Fair Hiring in Banking[f]	0	0	0	0	0	0	0	0	0	2	0	2
Sec. 5450	Veteran's Credit Ombudsman[g]	0	0	0	0	0	0	0	0	0	18	0	18
Sec. 5461-5475	SAFE Banking Act[h]	6	*	*	*	*	*	*	*	*	*	5	4
Sec. 5848	Elimination of Sentencing Disparity for Cocaine Offenses[j]	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-6	-11
Sec. 5881	Immigration Age-Out Protections[k]	*	-1	-1	-2	-2	-3	-4	-5	-7	-8	-6	-34
Sec. 6601-6618	Promoting and Advancing Communities of Color Through Inclusive Lending[o]	*	*	*	*	*	*	*	*	*	*	*	-1
Sec. 6621	Study of Depository Institutions[p]	-1	-1	0	0	0	0	0	0	0	0	-1	-1
Sec. 6631-6645	Ensuring Diversity in Community Banking Act[q]	1,881	-47	-51	-52	-53	-54	-55	-56	-57	-58	1,678	1,398
Subtotal, Division E		1,903	-50	-54	-56	-57	-59	-61	-63	-66	-47	1,685	1,388
Division H. Financial Transparency Act of 2022[r]		**129**	**-6**	**-6**	**-4**	**-4**	**-6**	**-6**	**-6**	**-6**	**-6**	**108**	**77**
Total Changes in Revenues		**2,032**	**-56**	**-60**	**-60**	**-61**	**-65**	**-67**	**-69**	**-72**	**-53**	**1,793**	**1,465**
Effect on the Deficit		**-2,843**	**1,489**	**2,578**	**1,273**	**438**	**132**	**142**	**152**	**165**	**156**	**2,937**	**3,684**

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Notes

Source: Congressional Budget Office.

Components may not to sum to totals because of rounding. Amounts include on- and off-budget effects; off-budget effects are noted.

CBO estimates that enacting H.R. 7900 would not increase on-budget deficits by more than $5 billion in at least one of the four consecutive 10-year periods beginning in 2033. Provisions in H.R. 7900 that are not shown in the table would have insignificant effects on direct spending and revenues, CBO estimates.

CFPB = Consumer Financial Protection Bureau; FDIC = Federal Deposit Insurance Corporation; FEMA = Federal Emergency Management Agency; FHFA = Federal Housing Finance Agency; NCUA = National Credit Union Administration; OCC = Office of the Comptroller of the Currency; OFR = Office of Financial Research.

* = between -$500,000 and $500,000.

a. Section 5406 would require businesses to accept cash for in-person payments of less than $2,000. The federal government would incur some direct spending costs for attorney's fees and judgments from civil lawsuits arising from violations of that requirement. Section 5406 also would reduce the size of the Federal Reserve Surplus fund. As a result, that provision would increase remittances to the Treasury (which are recorded in the budget as revenues) in 2023 and decrease them in subsequent years.

b. Section 5421 would increase operating costs for the FDIC. Such costs for that agency are classified as direct spending. This section also would reduce the size of the Federal Reserve Surplus fund. As a result, that provision would increase remittances to the Treasury in 2023 and decrease them in subsequent years.

c. Section 5423 would extend a provision of the Coronavirus Aid, Relief, and Economic Security Act that allowed corporate credit unions to purchase shares in the Central Liquidity Fund. The current-law provision expired in 2021, and CBO estimates that the NCUA will have to buy back its shares in 2023. With the extension in this section, CBO estimates that the NCUA would not buy back the shares until 2025.

d. Section 5426 would require the CFPB to study the role of online platforms and tenant screening companies in the housing market, which CBO estimates would increase the bureau's operating costs. The CFPB has permanent authority, not subject to annual appropriation, to spend amounts transferred from the Federal Reserve.

e. Section 5435 would create new protections for service members with medical debt. CBO expects that the provision would increase costs for the CFPB, which has permanent authority to spend amounts transferred from the Federal Reserve. Section 5435 also would reduce the size of the Federal Reserve Surplus fund in 2032. As a result, that provision would increase remittances to the Treasury in that year.

f. Section 5438 would amend statutory prohibitions and limitations that restrict insured depository institutions and insured credit unions from hiring some people convicted of criminal offenses. The FDIC and NCUA would establish new procedures governing the review of consent applications and further define what offenses require agency consent. The operating costs of those two entities are classified as direct spending. Section 5438 also would reduce the size of the Federal Reserve Surplus fund in 2032. As a result, that provision would increase remittances to the Treasury in that year.

g. Section 5450 would require the CFPB to establish an ombudsman for credit reporting on service members and veterans, which would increase the bureau's operating costs. The CFPB has permanent authority, not subject to annual appropriation, to spend amounts transferred from the Federal Reserve. Section 5450 also would reduce the size of the Federal Reserve Surplus fund in 2032. As a result, that provision would increase remittances to the Treasury in that year.

h. Sections 5461 through 5475 would prohibit a federal banking regulator from penalizing a depository institution for providing banking services to a cannabis-related business. CBO estimates that this prohibition would increase deposits insured by the FDIC and NCUA. Those additional deposits would increase the government's liabilities for failed financial institutions, thereby increasing losses from the FDIC's Deposit Insurance Fund and the NCUA's Share Insurance Fund. The costs would be offset by additional insurance premiums collected by the FDIC and increased capital deposits collected by the NCUA. Those sections also would reduce the size of the Federal Reserve Surplus fund. As a result, it would increase remittances to the Treasury in 2023 and decrease them in subsequent years.

i. Section 5829 would authorize the Attorney General to use proceeds from the forfeited assets of certain Russian entities to provide assistance to Ukraine. CBO estimates that the provision would accelerate spending from the Assets Forfeiture Fund but would not change the total amount of those proceeds that are spent over the 2023-2032 period.

j. Section 5848 would equalize the sentencing treatment of offenses involving crack cocaine with those involving powder cocaine, resulting in shorter sentences for crack cocaine offenders. Because prisoners do not receive federal benefits while they are incarcerated, CBO expects that enactment of section 5848 would increase the number of beneficiaries for federal programs, such as Medicaid and Social Security. Spending on those programs is recorded in the budget as direct spending; some spending on health insurance subsidies is recorded as revenues. The estimated costs include $34 million in off-budget spending for Social Security benefits over the 2023-2032 period. In addition, CBO estimates that section 5848 would reduce the Bureau of Prisons' costs for housing and monitoring inmates; those amounts are paid subject to the availability of appropriated funds.

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k. Section 5881 would allow certain alien (non-U.S. national) children to retain their nonimmigrant (temporary) immigration status and to receive lawful permanent resident (LPR) status based on their parents' applications after those children reach the age of 21. Under current law, children lose eligibility for nonimmigrant or LPR dependent status on their 21st birthday. Lawfully present aliens are eligible for a variety of federal benefits. Most of those benefits are classified as direct spending, but some are conferred through nonrefundable tax credits and are classified as reductions in revenues.

l. Section 5882 would reduce the amount in the Medicare Improvement Fund to $7,279 million. When H.R. 7900 was passed by the House of Representatives, the balance in the fund was $7,500 million; thus, section 5882 would have reduced direct spending by $221 million at that time. Subsequently, the Continuing Appropriations and Ukraine Supplemental Appropriations Act, 2023 (Public Law 117-180), reduced the balance in the fund to $7,308 million. Relative to current law, section 5882 would reduce direct spending by $29 million.

m. Section 5886 would require FEMA to compensate individuals for economic losses and other damages resulting from the Hermit's Peak/Calf Canyon fire in New Mexico. A similar compensation program was enacted as part of P.L. 117-180. That law appropriated $2.5 billion to pay claims and administrative costs. However, unlike the enacted program, which conditions payment of claims on the availability of appropriations, section 5886 would create an entitlement to compensation. Because CBO assumes full funding of entitlement programs, CBO's estimate of section 5886 reflects the full estimated cost of compensating eligible entities ($5.4 billion), adjusted for funding already provided in P.L. 117-180.

n. Section 5907 would increase the number of firefighters who can receive federal workers' compensation benefits and authorize the continuation of pay to injured federal workers to be recovered from responsible third parties. Those benefit payments are classified as direct spending.

o. Several sections in subtitle A of title LXVI would affect direct spending and revenues. Section 6611 would require the CFPB, FDIC, Federal Reserve, NCUA, and OCC to designate an employee responsible for promoting minority depository institutions. The operating costs for the CFPB, FDIC, NCUA, and OCC are classified in the federal budget as direct spending; the expenses of the NCUA and OCC are offset by fees on regulated entities. Costs incurred by the Federal Reserve reduce remittances to the Treasury, which are recorded in the budget as revenues. Sections 6612 and 6613 would direct the Treasury to use existing balances in the Emergency Capital Investment Fund for financial and technical assistance programs administered under the Community Development Financial Institution program, including new grant programs created by the act. CBO estimates the provisions would slow the spending of those balances but would not change the total amounts that are spent over the 2023-2032 period.

p. Section 6621 would direct the CFPB, FDIC, Federal Reserve, NCUA, and OCC to study the challenges faced by new depository institutions seeking charters. Those banking regulators also would be required to jointly issue a strategic plan to increase the number of entities applying for new depository institution charters. The operating costs for the CFPB, FDIC, NCUA, and OCC are classified in the federal budget as direct spending; the expenses of the NCUA and OCC are offset by fees on regulated entities. Costs incurred by the Federal Reserve reduce remittances to the Treasury, which are recorded in the budget as revenues.

q. Sections 6631 through 6645 would establish a program under which certain minority depository institutions or newly designated impact banks may receive deposits from accounts established in and controlled by the Department of the Treasury that are expected to have a consistent balance of at least $200 million over a two-year period. Those deposits would be recorded as direct spending. The sections also would direct the FDIC, OCC, and the Board of Governors of the Federal Reserve System to jointly issue rules to allow new minority depository institutions or impact banks to have three years to meet capital requirements. In addition, the act would direct those agencies to establish an impact bank program, require the agencies and the NCUA to establish minority depositories advisory committees, and direct the FDIC to streamline the application and certification process for banks to be designated as community development financial institutions. Those sections also would reduce the size of the Federal Reserve Surplus fund; it would increase remittances to the Treasury in 2023 and decrease them in subsequent years.

r. Division H would require the CFPB, FDIC, Federal Reserve, FHFA, NCUA, and OCC to establish and implement data standards for information submitted to those agencies and would require them to publish the information they collect. The OFR would be directed to implement data standards established by the Department of Treasury. The operating costs for the CFPB, FDIC, FHFA, NCUA, OCC, and OFR are classified in the federal budget as direct spending; the expenses of the FDIC, OCC, and OFR, and a portion of FHFA's expenses, are offset by fees on regulated entities. The remaining portion of FHFA's costs are offset by fees paid by the Federal Home Loan Banks; those fees are recorded in the budget as revenues. Additionally, the figures in the table include the costs incurred by Fannie Mae and Freddie Mac to implement those provisions because they are in federal conservatorship. Costs incurred by the Federal Reserve reduce remittances to the Treasury, which are recorded in the budget as revenues. Finally, division H would reduce the size of the Federal Reserve Surplus fund. As a result, it would increase remittances to the Treasury in 2023 and decrease them in subsequent years.