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HOUSE OF REPRESENTATIVES

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Part 2

# NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2022

SEPTEMBER 17, 2021.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SMITH of Washington, from the Committee on Armed Services, submitted the following

## SUPPLEMENTAL REPORT

[To accompany H.R. 4350]

[Including cost estimate of the Congressional Budget Office]

This supplemental report shows the cost estimate of the Congressional Budget Office with respect to the bill (H.R. 4350), as reported, which was not included in part 1 of the report submitted by the Committee on Armed Services on September 10, 2021 (H. Rept. 117–118, pt. 1).

This supplemental report also includes the correct recorded vote tally in the "Committee Position" portion in part 1 of the report submitted by the Committee on Armed Services on September 10, 2021.

### COMMITTEE POSITION

On September 1, 2021, the Committee on Armed Services held a markup session to consider H.R. 4350. The committee ordered the bill H.R. 4350, as amended, favorably reported to the House of Representatives by a recorded vote of 57–2, a quorum being present.

### CONGRESSIONAL BUDGET OFFICE ESTIMATE

In compliance with clause 3(c)(3) of rule XIII of the House of Representatives, the cost estimate prepared by the Congressional Budget Office and submitted pursuant to section 402 of the Congressional Budget Act of 1974 is as follows:

45–560

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
*Washington, DC, September 15, 2021.*

Hon. ADAM SMITH,
*Chairman, Committee on Armed Services,*
*House of Representatives, Washington, DC.*

DEAR CHAIRMAN SMITH: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4350, the National Defense Authorization Act for Fiscal Year 2022.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is David Newman.

Sincerely,

PHILLIP L. SWAGEL,
*Director.*

Enclosure.

**At a Glance**

**H.R. 4350, National Defense Authorization Act for Fiscal Year 2022**
**As reported by the House Committee on Armed Services on September 10, 2021**

| By Fiscal Year, Millions of Dollars | 2021 | 2021-2026 | 2021-2031 |
|---|---|---|---|
| Direct Spending (Outlays) | 0 | 9 | 72 |
| Revenues | 0 | 23 | 72 |
| Increase or Decrease (-) in the Deficit | 0 | -14 | * |
| Spending Subject to Appropriation (Outlays) | 0 | 743,054 | 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 2032? | No | Contains intergovernmental mandate? | Yes, Under Threshold |
| | | Contains private-sector mandate? | Yes, Cannot Determine Costs |

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

The bill would

- Authorize appropriations totaling an estimated $767.6 billion for 2022 for military functions of the Department of Defense (DoD) and the atomic energy defense activities of the Department of Energy
- Authorize an estimated $2.7 billion for nondefense activities over the 2022–2024 period
- Prescribe personnel levels for active-duty and selected-reserve components of the U.S. Armed Forces
- Extend DoD's authority to pay various bonuses and allowances to military personnel
- Change compensation, health care, and retirement benefits for military personnel and their families
- Create a Space National Guard
- Require certain DoD contractors to pay employees at least $15 per hour
- Impose intergovernmental and private-sector mandates by increasing the authorized end strength for active-duty personnel, requiring local agencies to enforce military protective

orders, expanding Selective Service registration requirements, and placing prohibitions on debt collectors and consumer reporting agencies

Areas of significant uncertainty include

- Predicting the frequency of public health emergencies
- Estimating the number of workers affected by the requirement for DoD contractors to increase their wages to at least $15 per hour and the amount of that increase that would be passed on to DoD as higher costs
- Anticipating the size and structure of a Space National Guard

*Bill summary*

H.R. 4350 would authorize appropriations totaling an estimated $770.3 billion over the 2022–2024 period. Nearly all of that amount, $767.6 billion for 2022, would be specifically authorized for defense programs and activities of the Department of Defense (DoD) and the Department of Energy. An additional $2.7 billion would be authorized for the Maritime Administration and various other nondefense programs over the 2022–2024 period—$2.5 billion in specified authorizations and $0.2 billion in estimated authorizations. Of those amounts, a total of $2.5 billion would be authorized for 2022. CBO estimates that appropriation of the authorized amounts would increase outlays by $743.1 billion over the 2022–2026 period.

The bill also contains provisions that would affect the costs of defense programs that would be funded with discretionary appropriations in 2023 and future years. Those provisions mainly would affect force structure, compensation and benefits, and multiyear procurement of weapons systems. CBO has analyzed the costs of some of those provisions and estimates that they would, on a net basis, increase the cost of those programs compared to current law by about $12.2 billion over the 2023–2026 period. The net costs of those provisions in 2023 and beyond are not included in the total amount of outlays described above because CBO expects that appropriations for those activities would be specifically authorized in National Defense Authorization Acts in future years.

In addition, enacting H.R. 4350 would increase direct spending by $72 million over the 2022–2031 period. It would also increase revenue by $72 million over that same period; thus, the net effect on the deficit would be insignificant.

*Estimated Federal cost*

The estimated budgetary effects of H.R. 4350 are shown in Table 1. Of the $770.0 billion authorized for 2022, nearly all—$767.6 billion—would be for activities within budget function 050 (national defense).

Some authorizations, however, would fall within other budget functions and would together total $2.5 billion. Those authorizations include

- $2.2 billion over the 2022–2023 period for the Maritime Administration and Coast Guard in function 400 (transportation);
- $75 million in 2022 for the Armed Forces Retirement Home and $188 million over the 2022–2024 period for a med-

ical facility demonstration fund and other programs in function 700 (veterans benefits and services);

- $14 million for the Naval Petroleum Reserves in function 270 (energy); and
- Smaller amounts in other budget functions.

*Basis of estimate*

For this estimate, CBO assumes that H.R. 4350 will be enacted near the start of fiscal year 2022 and that the authorized and estimated amounts will be appropriated each fiscal year. Outlays for existing programs were estimated using historical spend-out rates.

*Spending subject to appropriation*

H.R. 4350 would authorize appropriations of $770.3 billion over the 2022–2026 period, of which almost all ($770.1 billion), would be specifically authorized by the bill. Of that amount, $767.6 billion would be authorized in 2022 for defense programs and $2.5 billion would be specifically authorized over the 2022–2024 period for nondefense programs (see Table 2). The bill also includes estimated authorizations of $0.2 billion over the 2022–2026 period for certain nondefense programs. CBO estimates that appropriation of the specified and estimated amounts would increase outlays by $743.1 billion over the 2022–2026 period.

The $767.6 billion specifically authorized for defense programs in 2022 would represent an increase of $35.8 billion (or 5 percent) compared to the $731.8 billion appropriated for defense in 2021. That 2021 figure includes both amounts that count against the cap for defense spending set in the Budget Control Act (BCA), as amended, and amounts not subject to the cap—primarily for overseas contingency operations in and around Iraq and Afghanistan ($69.0 billion) and for amounts designated as emergency funding for increased security at the U.S. Capitol ($1.0 billion). The BCA does not include defense spending caps after 2021, and H.R. 4350 does not distinguish between amounts authorized for overseas contingency operations for 2022 from other defense activities.

Relative to amounts appropriated for 2021, H.R. 4350 would increase authorizations for all major categories of defense spending: military personnel by $4.2 billion (or 3 percent), operations and maintenance by $7.0 billion (or 2 percent), procurement by $6.8 billion (or 5 percent), and research and development by $11.6 billion (or 11 percent). Authorizations for all other defense categories combined would increase by $6.2 billion (17 percent); most of that increase would arise from an additional $4.9 billion for military construction and family housing.

For nondefense programs, the bill would specifically authorize $2.5 billion over the 2022–2024 period. That amount includes $1.7 billion in 2022 for the Maritime Administration, $545 million over the 2022–2023 period for certain Coast Guard programs, $188 million over the 2022–2024 period for certain programs of the Department of Veterans Affairs (VA), $75 million for the Armed Forces Retirement Home, and $14 million for the Naval Petroleum Reserves.

H.R. 4350 also contains provisions that would affect the costs of various defense and nondefense discretionary programs in future years. The estimated effects of some of those defense provisions are shown in Table 3 and described below. Spending for affected programs and activities would be subject to the appropriation of the estimated amounts. The net costs of the defense-related provisions are not added to the total authorized amounts described above because CBO expects those activities would be funded with the amounts specifically authorized in this bill for defense activities in 2022. Amounts for those defense activities over the 2023–2026 period would be authorized by future defense authorization acts. Estimated amounts for nondefense provisions in Table 3, which total $0.2 billion over the 2022–2026 period, are included in the total authorized amounts discussed above because they may not be included in subsequent specified authorizations of appropriation.

**Military Force End Strength.** The bill would affect the force structure of the various military services by setting end-strength levels for 2022 and modifying the minimum end-strength levels authorized in permanent law.

Title IV would authorize end-strength levels in 2022 for active-duty personnel and personnel in the Selected Reserves of 1,346,400 and 806,500, respectively. Of those reservists, 92,699 would serve full time on active duty in support of the reserves. In total, active-duty end strength would decrease by 1,975 and selected-reserve end strength would decrease by 2,500, while the number of selected reservists who would serve in full-time support positions would increase by 2,403, when compared with levels authorized under current law for 2021. The specified end-strength levels for each component of the armed forces are detailed below with CBO's estimate of the effects of those changes on DoD's costs for personnel and for operation and maintenance. Those costs for personnel include components of military compensation such as basic pay, allowances, bonuses, and health care, as well as operating costs for training and maintenance.

*Active Duty*. Section 401 would authorize the following decreases in active-duty personnel for three of the five services: 2,700 fewer for the Marine Corps, 1,600 fewer for the Navy, and 900 fewer for the Army. The end strength authorized for the Department of the Air Force would increase by 3,225: 1,966 more for the Space Force and 1,259 more for the Air Force. CBO estimates that the net reduction in active-duty personnel of 1,975 service members would reduce costs by almost $1.0 billion over the 2022–2026 period.

*Selected Reserve*. Under section 411, the end strengths for four of the six reserve components in DoD would decrease: 1,700 fewer for the Marine Corps Reserve, 500 fewer for the Army National Guard, 300 fewer for the Army Reserve, and 200 fewer for the Navy Reserve. End strength for the Air National Guard would increase by 200, while the authorized level for the Air Force Reserve would not change. CBO estimates that the net decrease of 2,500 reservists would reduce costs by $0.5 billion over the 2022–2026 period.

*Full-Time Selected Reserve*. Section 412 would increase the number of reservists who serve full time on active duty in support of the reserves by 2,403 compared with currently authorized end-strength levels for 2021. Those additional full-time reservists would increase costs by $1.7 billion over that same period.

*Reserve Technicians*. Section 413 would reduce the end strength for dual-status military technicians by 1,945. Those personnel are federal civilian employees who are required to maintain membership in the Selected Reserve as a condition of their employment. CBO estimates spending on salaries for dual status positions would decrease by $1.0 billion over the 2022–2026 period. (Changing the number of dual-status technicians would not change the number of reservists set by sections 411 and 412, discussed above. Thus, the only budgetary effects would be the reduction in civilian compensation.)

**Defense Compensation and Benefits**. H.R 4350 includes several provisions that would affect compensation and benefits for uniformed personnel and civilian employees of DoD.

*Expiring Bonuses and Allowances*. Section 611 would extend for one year DoD's authority to enter agreements to pay certain bonuses and allowances to military personnel. The authority to enter into such agreements expires on December 31, 2021. Some bonuses are paid in lump sums, while others are paid in annual or monthly installments over several years of military service. On the basis of DoD's budget request for fiscal year 2022, CBO estimates that extending that authority for one year would cost $10.5 billion over the 2022–2026 period.

*Incentive Pay for Reservists*. DoD awards incentive pay to members of the military to compensate them for filling certain jobs such as doctors, pilots, or divers that require special skills, extensive training, are especially dangerous, or are otherwise difficult to fill. Under current law, some reservists earn less in incentive pay than active-duty members, because the latter are paid the incentive for a full month while reservists are paid a prorated amount based on the number of days that they perform a qualifying type of duty. Section 602 would require DoD to pay reservists the same amount of incentive pay that active-duty members receive for performing similar duty—that is for a full month—regardless of the number of days they are on military duty in that month. On the basis of information from DoD, CBO estimates that roughly 30,000 reservists would receive an average annual increase in incentive pay of $3,700 beginning in 2023. Thus, CBO estimates that higher incentive pay for reservists would increase costs by $440 million over the 2022–2026 period.

*Wage Grade Localities*. Section 1114 would reduce the number of geographical areas used by DoD and other federal agencies to calculate pay for federal wage system (FWS) employees—civilian workers in blue-collar jobs, such as crafts and trades. On the basis of information from the Office of Personnel Management (OPM), CBO estimates that roughly 10,250 DoD employees and 3,400 employees of other federal agencies would be affected by the change in wage calculations. CBO estimates that average annual pay would increase by $4,400 per employee starting in mid-2023, accounting for the time it would take OPM to implement the change. Thus, CBO estimates that higher pay for FWS employees under section 1114 would increase DoD's costs by $175 million over the 2022–2026 period. Other federal agencies' costs would increase by $55 million over that same period. (That amount is included in the amount shown in Table 1 for nondefense estimated authorizations under the heading "Estimated Authorizations for Various Departments and Agencies").

*Compensation for Abused Dependents*. Section 622 would authorize DoD to provide up to 36 months of compensation and health benefits to spouses and former spouses who have filed for divorce or are divorced from active-duty members of the armed forces because of alleged abuse by the service member. Under current law, DoD only provides those benefits if the department takes punitive action to discharge the member from the military because of the abuse. On the basis of information from the DoD, CBO estimates that about 570 spouses would begin receiving transition compensation each year. Those payments would average $2,000 a month. Additionally, roughly 40 percent of those spouses would also use health benefits averaging $500 a month. CBO estimates that, on average, recipients would use both benefits for 35 months.

On that basis and accounting for the time needed to implement the new policy, CBO estimates that about 420 spouses would earn five months of transitional compensation payments starting in 2022 and that 170 of those spouses would use health benefits for a similar portion of the year. Annual costs would grow with the addition of new recipients until the cohort that started getting payments in 2022 received their final payments in 2025. At that point, the population of annual recipients under section 622 would stabilize at about 1,700 people. In total, CBO estimates that additional transition compensation and health benefits would increase costs by $146 million over the 2022–2026 period.

*Benefits for Civilians in Combat Zones*. Section 1102 would extend for one year the authority to grant certain benefits to federal civilian employees who perform official duty in a combat zone. Those benefits, which expire under current law on September 30, 2022, include death gratuities, paid leave and travel for one trip home, and up to three leave periods per year for rest and recuperation. Based on information from DoD and the Office of Personnel Management, CBO estimates that about 1,000 civilian employees of DoD and 500 employees of other federal agencies will work in a designated combat zone in 2023 and, under this provision, would receive an average benefit that would cost about $57,000 a year. Thus, CBO estimates that implementing section 1102 would cost DoD $55 million and cost other federal agencies $30 million. (That amount is included in Table 1 for nondefense estimated authorizations under the heading "Estimated Authorizations for Various Departments and Agencies").

*Basic Needs Allowance*. Section 601 would authorize DoD to pay a monthly allowance to service members whose gross incomes are less than 130 percent of the federal poverty guidelines established by the Department of Health and Human Services. The amount of the allowance would be the difference between a service member's monthly gross income and the monthly income level at 130 percent of poverty guidelines for the location in the United States where the member lives and the size of the member's household. The basic allowance for housing would be excluded from the calculation of gross income; DoD would determine what other compensation, such as the basic allowance for subsistence, hostile fire pay, or reenlistment bonuses, would be included in gross income to determine eligibility for the new allowance. On the basis of information from DoD, CBO expects that the department would define gross income to include basic pay and the basic allowance for subsistence.

DoD would evaluate a service member's income annually and notify candidates of their potential eligibility for the allowance by December 31 of each year. Candidates (those who received notification of potential eligibility and any other service members who want to apply) would have until January 31 to submit applications with any required documentation to demonstrate eligibility. DoD would review those applications and notify the applicants of DoD's final eligibility determination by February 28. CBO expects that some service members would decline to receive the allowance or they would not submit the required information by the application deadline. Recipients would be awarded the benefit for a full year; monthly payments would start in April and end in March of the following year.

CBO estimates that payments would begin in April of 2023 to allow time for DoD to develop regulations and procedures and to implement the new policy. On the basis of data about service members' pay and family sizes, CBO estimates that roughly 3,000 service members would receive an average benefit of $400 each month. Those allowances would cost $50 million over the 2022–2026 period.

*FMLA Eligibility.* Section 1110 would make certain veterans who work for the federal government eligible for family and medical leave benefits (including paid parental leave available to federal employees) sooner than they otherwise would have been, by counting military service toward the time required to earn those benefits. Using birth rates from the Centers for Disease Control and information from the Office of Personnel Management to determine the number and salaries of veterans who would be eligible for paid parental leave, CBO estimates the federal government would pay $90 million to veterans who would use such leave: $36 million for employees of DoD and $54 million for employees of other agencies. Because the family and medical leave benefits other than parental leave are unpaid, CBO does not estimate any cost for employees using those benefits. (The $54 million for other agencies is included in the amount shown in Table 1 for nondefense estimated authorizations under the heading "Estimated Authorizations for Various Departments and Agencies").

**Military Health System.** Title 7 would increase discretionary costs for the Military Health System.

*PFAS Blood Testing.* Section 715 would require DoD to administer blood testing as part of routine medical check-ups to all service members who are exposed to perfluoroalkyl and polyfluoroalkyl substances (PFAS). PFAS are a group of man-made chemicals used in many products that may cause adverse health effects. There is significant uncertainty as to which service members would receive the blood testing required by this provision. Because the use of PFAS chemicals is widespread, most people in the United States have detectable levels of PFAS in their blood.[1] Research to determine acceptable levels is ongoing. Using information from DoD on current PFAS blood testing for military firefighters, CBO estimates that PFAS blood tests cost about $100 each. If DoD tests all 1.4 million active-duty members on a regular basis, the cost could be

[1] Agency for Toxic Substances and Disease Registry, "PFAS Blood Testing" (accessed September 10, 2021), http://www.atsdr.cdc.gov/pfas/health-effects/blood-testing.html.

as much as $140 million per year. If, however, DoD determines it is only necessary to test service members in occupations that are at high risk of exposure, testing may cost a few million dollars per year. It's also possible DoD may test only those who served at facilities with higher-than-normal levels of PFAS in the environment. For this estimate, CBO used the mid-point of the range of possible outcomes, or about $70 million per year. Costs would be lower in the first year because of the time needed to issue regulations. In total, CBO estimates section 715 would increase the need for appropriations by $315 million over the 2022–2026 period.

*Cost Sharing for Telehealth.* Subsection 703(a) would require DoD to waive beneficiary cost sharing for telehealth appointments during all public health emergencies and during the 180-day period after the conclusion of the emergency for the COVID–19 pandemic. DoD currently has authority to waive cost sharing for telehealth services, and they have been doing so during the COVID–19 emergency. It is not clear how long the department will continue to do so.

At least some portion of the United States has been under a public health emergency for most of the past decade, usually in response to localized natural disasters. Using data from DoD, CBO estimates that waiving cost sharing for all telehealth appointments would cost DoD about $80 million per year. Given the uncertainty about the future timing and geographic distribution of public health emergencies and how DoD will use its current waiver authority, CBO estimates the probability that this provision would result in additional waivers in a given year is about 25 percent. Thus, on a probabilistic basis, the requirement would cost about $20 million per year. Costs would be lower in 2022 because DoD intends to use its current waiver authority through the end of the COVID–19 emergency, which CBO currently anticipates will end in late fiscal year 2022. After factoring for inflation and the requirement to waive cost-sharing for 180 days after the conclusion of the COVID–19 emergency, which would increase costs in 2022 and 2023, CBO estimates this provision would increase the need for appropriations by $100 million over the 2022–2026 period.

Subsection 703(a) would also affect direct spending for health care. Those effects are described under the heading "Direct Spending and Revenues."

*Contraception Cost Sharing.* Section 705 would eliminate cost sharing for contraceptive pharmaceuticals and devices for those who use TRICARE during the one-year period beginning 30 days after the enactment of the bill. On the basis of information from DoD, CBO estimates that beneficiaries currently pay about $15 million each year for their share of contraceptive drugs and devices. Under the proposal, those costs would be borne by DoD. In addition, eliminating out-of-pocket costs would increase beneficiaries' use of brand-name drugs and decrease the use of generic drugs because beneficiaries would no longer incur higher copayments for brand-name drugs. On the basis of various studies and data on the number of generic pharmaceuticals currently used by TRICARE beneficiaries, CBO estimates this substitution effect would cost about $5 million. In total, CBO estimates section 705 would cost $20 million over the 2022–2023 period.

Section 705 also would affect direct spending. Those effects are described under the heading "Direct Spending and Revenues."

**Other Defense Provisions.** Various other provisions would affect discretionary spending for other defense programs.

*$15 Minimum Wage.* Section 804 would require federal contractors working on services and construction contracts for DoD to pay employees at least $15 per hour. That requirement would apply to contracts that are subject to the Fair Labor Standards Act, the Service Contract Act, or the Davis-Bacon Act and are awarded on or after January 30, 2022. The minimum wage for employees working on such contracts is currently $10.95 per hour. Under the bill, the rate would be adjusted annually for inflation after 2022. CBO estimates that implementing section 804 would cost DoD about $3.8 billion over the 2021–2026 period.

On July 22, 2021, the Department of Labor published a notice of proposed rulemaking to implement *Executive Order 14026, Increasing the Minimum Wage for Federal Contractors.* Using information from that notice, CBO estimates that implementing section 804 would increase the pay of about 65,000 contractor employees working on DoD contracts in 2022, and 130,000 annually over the 2023–2026 period. The number of affected employees would be lower in 2022 because the higher wage rate would only apply to contracts entered into on or after January 30, 2022. On average, those employees would receive a pay increase of about $2.50 per hour over a 37-hour workweek, costing DoD $315 million in additional wages in 2022 (or about $630 million on an annualized basis) as contractors pass those higher wage costs to the department. Over the 2021–2026 period, those employees would receive about $3.0 billion more in wages, CBO estimates.

In addition to the wage increase estimated above, CBO expects that federal contractors would pass along other costs such as payroll taxes, fringe benefits, overhead, and general administrative costs that increase because of the higher wages paid to their employees. CBO estimates that those expenses would add 25 percent (or about $770 million) to contract costs over the 2021–2026 period.

Because the Department of Labor has published a notice of proposed rulemaking to increase the hourly minimum wage to $15, CBO's baseline reflects the assumption that there is a 50 percent probability that the rule will be finalized and take effect. The costs shown in Table 3, therefore, equal 50 percent of the estimated $3.8 billion cost of implementing section 804. If the rule is finalized, those costs would be passed through to DoD under current law. In that case, section 804 would not affect the federal budget.

*Multiyear Procurement Contracts.* The bill would authorize DoD to enter into multiyear procurement contracts (MYP) for four weapons systems. Multiyear procurement is a special contracting method authorized in current law that permits the government to enter into contracts covering acquisitions for more than one year but not more than five years, even though the total funds required for all years are not appropriated at the time the contracts are awarded. Contracts that would cost more than $500 million must be specifically authorized in law.

- Section 112 would authorize the Army to enter a multiyear contract beginning in fiscal year 2022 to purchase UH/HH–60M Blackhawk aircraft. The UH/HH–60M is a medium-lift helicopter that is used to transport military personnel and supplies. On the basis of information from the Army, CBO estimates that under such a contract the service would buy those aircraft over the 2022–2026 period at a cost of $2.3 billion. The service estimates that a single multiyear contract would cost $361 million less than five annual contracts.

- Section 111 would authorize the Army to enter a multiyear contract beginning in fiscal year 2022 to purchase AH–64E Apache aircraft. The AH–64E is a heavy attack helicopter capable of firing missiles and other munitions. On the basis of information from the Army, CBO estimates that under such a contract the service would buy those aircraft over the 2022–2026 period at a cost of $1.7 billion. The service estimates that a single multiyear contract would cost $213 million less than five annual contracts.
- The Navy is authorized to enter a MYP contract for three San Antonio-class amphibious ships and one America-class amphibious ship in fiscal year 2021. Section 121 would extend that authority to fiscal year 2022. Section 123 would authorize the department to enter a multiyear contract to purchase up to 15 Arleigh Burke-class destroyers beginning in fiscal year 2023. Because the Navy did not request those MYP contract authorities and has not provided information on how it would use them, CBO cannot estimate the costs of those sections or any potential savings that could arise from using MYP contracts rather than a series of annual contracts.

*Space National Guard.* Sections 921–924 would create a Space National Guard as a new reserve component of the Space Force. The costs of a new Space National Guard would vary significantly depending on the size and organizational structure of this new component.

In a recent report, CBO analyzed the potential cost for a small Space National Guard that would be created by transferring 1,500 personnel from Air National Guard and Army National Guard units.[2] CBO estimates that it would cost about $100 million annually to operate and support a Space National Guard of that size. We also estimated that construction of additional facilities would cost about $20 million.

CBO also analyzed the potential cost for a large Space National Guard that would be about one-third the size of the Space Force, the same size as the Air National Guard in comparison with the size of the Air Force. Under that approach, the Space National Guard would consist of 4,900 to 5,800 personnel. CBO estimates that it would cost $385 million to $490 million annually to operate and support such a Space National Guard. Constructing additional facilities and equipping the new units would cost of $400 million to $900 million, CBO estimates.

**Nondefense Provisions.** Several provisions would affect discretionary spending for nondefense programs.

*Expanded Registration for Selective Service.* Under current law, male citizens and certain other men who are residing in the United States and who are between the ages of 18 and 26, must register

[2] Congressional Budget Office, *Costs of Creating a Space National Guard* (June 2020), www.cbo.gov/publication/56374.

with the Selective Service System (SSS). Section 513 would require all citizens, not just men, who meet the age and other registration requirements to register for the SSS, making them eligible for a military draft.

To implement the new requirement, SSS would need to hire additional personnel, increase office space and equipment, and publicize additional materials the public about this new requirement. Because section 513 would establish a duty for all citizens who turn 18 one year after enactment of the bill to register, CBO estimates that SSS would start to process the expanded registrations in 2023.

Based on information from SSS, CBO expects the agency would begin to hire and train new personnel and publicize the new requirement to register in 2022. CBO estimates that section 513 would increase discretionary costs to SSS by $68 million over the 2021–2026 period. (Those discretionary costs are included in the amount shown in Table 1 for nondefense estimated authorizations under the heading "Estimated Authorizations for Various Departments and Agencies").

*Goldwater Education.* Title 50 would amend the act authorizing the Barry Goldwater Scholarship and Excellence in Education Foundation. Because the bill would amend the activities of the Foundation and the uses of the trust fund, CBO estimates authorization of appropriations for the Foundation's activities in future years. Based on funding levels of other federal foundations, CBO estimates the bill would authorize the appropriation of $1 million for each of fiscal years 2023 through 2026. Title 50 also would affect direct spending. Those effects are described under the heading "Direct Spending and Revenues."

*Direct Spending and Revenues*

Four provisions of the bill would significantly affect both direct spending, one of which would also affect revenues. However, those effects would offset overall so that the net effect on the deficit would be insignificant over the 2022–2031 period (see Table 4). Other provisions in this bill would have insignificant effects on direct spending and revenues.

**Military Health Fraud and Abuse Program.** Section 713 would allow DoD to levy fines on providers in the military health system who commit fraud and abuse and would allow DoD to retain and spend those amounts without further appropriation. Fines are classified as revenues, and the spending of those amounts would constitute direct spending.

The authorities granted by section 713 would be similar to those used by the Department of Health and Human Services to address fraud in the Medicare program. Based on the amount of collections relative to total spending for that program, CBO estimates that DoD would take in about $15 million per year with this new authority. Half of that amount would arise from recoupment of amounts previously paid to providers. Recoveries are classified as receipts, or reductions in direct spending that would be fully offset by the subsequent spending of the amount. The remaining half would be fines and penalties, which are classified as revenues. The spending of those revenues would increase direct spending. Thus, collections of fines and penalties would increase revenues by about

$7 million per year and increase direct spending by the same amount, resulting in an insignificant change in the deficit. After factoring for inflation and the time needed to pursue and collect from violators, which would delay collections in the first few years, CBO estimates section 713 would increase both direct spending and revenues by $72 million over the 2023–2031 period.

**Cost Sharing for Telehealth.** Subsection 703(a) would require DoD to waive beneficiary cost sharing for telehealth appointments during public health emergencies and during the 180-day period after the conclusion of the emergency for the COVID–19 pandemic. In addition to the effects on costs for military personnel health care, spending would increase for Medicare-eligible retirees and retirees of the other uniformed services (Coast Guard, National Oceanic and Atmospheric Administration, and Public Health Service) and their dependents, who comprise about 3 percent of the affected population. Health benefits for those beneficiaries are paid from mandatory appropriations. In total, CBO estimates that subsection 703(a) would increase direct spending by $9 million over the 2022–2031 period. Implementing the provision also would increase discretionary spending. Details of those effects, as well as additional details about the estimate, are described under the heading “Spending Subject to Appropriation.”

**Retired Pay for Reservists.** Subsection 703(b) would allow military retirees who serve in positions in the ready reserve that are short of personnel to receive both retired pay and duty pay during the four-year period after enactment. Under current law, retirees who serve in the reserve forfeit retired pay in exchange for duty pay. CBO expects that more retirees would serve in the reserves because of the change. The accumulation of additional service time would increase retired pay, which is paid from the Military Retirement Fund, a mandatory appropriation. On the basis of information from DoD about critical personnel shortages in the ready reserve, CBO expects that about 1,200 retirees would serve in the ready reserve during the temporary program. After that service, their retired pay would increase by about $1,500 per year because of the additional duty time. Enacting subsection 703(b) would increase direct spending by $16 million over the 2022–2031 period, CBO estimates.

**Open Enrollment Period for Survivor Benefit Plan.** Subsection 703(c) would allow military retirees who discontinued their enrollment in the Survivor Benefit Plan (SBP) to reenroll during the period beginning on the date of enactment and ending on January 1, 2023. As a condition of their enrollment, they would be required to make retroactive premium payments back to the date on which they discontinued their enrollment. On net, that would increase receipts in the near term; that reduction is classified as a decrease in direct spending. Spending would eventually increase over time as survivor benefits are paid from the Military Retirement Fund. On the basis of information from DoD, CBO expects that about 1,000 retirees would reenroll in the SBP. Those retirees would pay an average of $17,000 in back premiums and $2,000 in annual premiums. CBO expects that by 2031, about 100 survivors of reenrolled retirees would receive benefits averaging about $1,800 per month. In total, CBO expects that subsection 703(c) would reduce direct spending by $25 million over the 2022–2031 period.

**Other Provisions.** Several provisions in H.R. 4350 would have insignificant effects on direct spending and revenues, generally because they would affect very few people, would have offsetting effects, or involve transactions of very small amounts.

- Section 512 would reduce the service commitment that service members owe after taking a one-time career intermission (or sabbatical) from active service. During a career intermission, a service member retains eligibility for disability retirement. Section 512 could increase the number of service members who receive retired pay for disabilities incurred during a career intermission.
- Section 513 would require all citizens, not just men, to register with the Selective Service System. As a result, a very small number of people who are not currently U.S. citizens would lose eligibility for some mandatory federal benefits because they would fail to register. They would also have to wait longer to sponsor noncitizen family members for legal permanent resident status.
- Section 517 would amend the administrative separation process, which could result in changes to characterizations of discharges of some service members. Because eligibility for some mandatory benefits is tied to the characterization of discharge, a change in those characterizations would affect direct spending.
- Section 519C would require the Secretary of the Navy to award additional years of service for retirement eligibility to service members who participated in the Seaman to Admiral-21 program in 2010–2014 if those service members were not properly informed that such participation would not count toward retirement eligibility. Few of those service members would receive retired pay during the 2022–2031 period.
- Sections 525, 539C, and 539D would establish or modify punishable offenses under the military justice system. Additional penalties collected as a result of those provisions would be classified as revenues.
- Section 526 would make it easier for a person to prove they were subjected to unlawful reprisal for protected whistleblower actions. CBO estimates that enacting section 526 would increase the number of whistleblowers found to have suffered reprisal and that some would receive retroactive pay and benefits.
- Section 622 would allow certain spouses to retain eligibility to shop at commissary stores, thus increasing the patron base for those stores and the number of credit and debit card transactions processed. The processing costs for those transactions are paid from mandatory appropriations.
- Section 623 would authorize DoD to seek reimbursement from a provider of shipping services when that provider damages, loses, or destroys the personal effects of a deceased service member. A portion of reimbursements would be retained in the Treasury, which would be classified as a reduction in direct spending.
- Section 705 would lower the out-of-pocket cost of contraceptives for retirees of the other uniformed services (U.S. Coast Guard, National Oceanic and Atmospheric Administration, and

Public Health Service) and their dependents. Health benefits for those retirees are paid from mandatory appropriations.

- Section 716 would prohibit DoD from discharging service members with a discharge characterization of anything less than honorable based solely on their COVID–19 vaccination status. CBO expects that few unvaccinated service members will be discharged with a characterization that differs from what they would have received in the absence of a vaccination requirement and any characterizations less than honorable will be based on aspects of their service. Thus, few discharge characterizations would be upgraded under this section. Veterans must be honorably discharged to use education benefits from the Department of Veterans Affairs.
- Section 817 would modify the requirements for DoD to use competitive procurement procedures for purchases from Federal Prison Industries (FPI). FPI is a government-owned corporation that produces goods and services with prison labor. Its collections and spending are considered mandatory; thus, attempts to modify its market would likely result in changes in net direct spending.
- Section 1110 would make certain veterans who work for the federal government eligible for family and medical leave benefits (including paid parental leave available to federal employees) sooner than they otherwise would have been, by counting military service toward the time required to earn those benefits. Some federal employees would accrue higher sick leave balances during their career because they would use the new paid parental leave benefits in lieu of sick leave. As a result, some of those employees would see a higher federal pension when they retire.
- Section 1114 would reduce the number of geographical areas used by DoD and other federal agencies to calculate pay under the federal wage system, increasing wages for some employees. Enacting Section 1114 could affect direct spending by some agencies that are authorized to increase certain fees to cover operating costs. The net effect of higher fees and spending would be insignificant.
- Sections 731, 1221, 1223, 2821, and 2863, would extend or add to agencies' authority to accept and spend amounts received from nonfederal entities for various purposes. Because some of those agencies would not spend all the funds they receive, those sections would reduce direct spending.
- Sections 2852, 2853, and 2854 would authorize the conveyance of several parcels of land to nonfederal entities.
- Section 3517 would allow the Coast Guard to collect a documentation fee for a vessel that it would not otherwise collect under current law.
- Section 3520 would authorize the Maritime Administration to use previously appropriated but unobligated amounts to purchase duplicate medals for certain merchant mariners who served during World War II.
- Section 6005 would allow qualified Portuguese nationals to be admitted into the United States as nonimmigrant (temporary) traders or investors. Those nonimmigrants would be eligible for health-insurance subsidies if they otherwise qualify.

- Section 6011 would extend the period that people can use education benefits under programs administered by the Department of Veterans Affairs (VA) if such use is delayed because their school closes for an emergency or other reasons determined by VA.
- Section 6012 would waive application fees for two immigration benefits if the applicant is the parent, spouse, or minor child of a service member who was awarded the Purple Heart.
- Title 50 would authorize additional appropriations to the trust fund of the Barry Goldwater Scholarship and Excellence in Education Foundation, which would be invested in Treasury obligations. The interest earned on balances in the fund would be spent on the trust fund's activities without appropriation. That interest would be an intergovernmental transfer and thus would not affect federal spending. The outlays by the Foundation would be classified as direct spending.

*Uncertainty*

Most estimates for this bill are affected by some level of uncertainty, but three provisions in particular are difficult to estimate. Subsection 703(a), which would require DoD to waive cost sharing for telehealth appointments during public health emergencies, is subject to considerable uncertainty. It is difficult to predict when a public health emergency will be declared, how long it will last, and how DoD would implement the waiver requirement in relation to its other authorities. Several factors would ultimately determine the cost of section 804, which would require DoD contractors to pay their employees at least $15 per hour. The cost of that section would depend on the number of affected workers, the amount of the increase that contractors would pass on to DoD, and the effect on wages of employees currently making more than $15 per hour. The cost of a Space National Guard (sections 921–924) would depend on the size and organizational structure of this new component.

*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 and revenues that are subject to those pay-as-you-go procedures are shown in Table 4.

*Increase in long-term deficits*

CBO estimates that enacting H.R. 4350 would not increase on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2032.

*Mandates*

H.R. 4350 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the aggregate cost to comply with the intergovernmental mandates would not exceed the threshold established in UMRA ($85 million in 2021, adjusted annually for inflation). However, CBO cannot determine whether the aggregate cost of the mandates on private-sector entities would exceed the threshold established in UMRA ($170 million in 2021, adjusted annually for inflation).

CBO has not reviewed section 1075 of the bill for intergovernmental or private-sector mandates. Section 4 of UMRA excludes from the application of that act any legislative provision that enforces constitutional rights of individuals. CBO has determined that section 1075 falls within that exclusion because it would enforce constitutional rights related to voting.

*Intergovernmental mandates*

The bill would impose an intergovernmental mandate in title X, subtitle F, on Washington, D.C., by transferring control of the District of Columbia National Guard to the city without providing a mechanism for refusal. The bill would amend the Code of the District of Columbia to designate the city's mayor as the Guard's commander-in-chief, with authority to activate the Guard in response to local events that would be the same as that of state governors. Under current law, the President serves in that role. CBO expects that the provision would not alter the Guard's funding structure and therefore estimates that it would have no budgetary effect.

Section 529 would impose a mandate on state, local, territorial, and tribal courts and law enforcement agencies by requiring them to enforce protective orders issued by military courts. Those orders would be issued by military judges and magistrates to protect at-risk military personnel and civilians, such as victims of alleged sexual assault or domestic violence. The cost to comply would depend on the number of protective orders issued each year; in fiscal year 2019, fewer than 1,000 such orders were issued. CBO estimates that the cost of enforcement would be small.

*Intergovernmental and private-sector mandates*

Section 401 would increase the costs of complying with existing intergovernmental and private-sector mandates by increasing the number of service members on active duty by about 7,700 relative to currently authorized levels. Those additional service members would be eligible for protections under the Servicemembers Civil Relief Act (SCRA). Protections under SCRA require public and private entities to grant active-duty personnel various allowances for business and tax transactions and court procedures.

For example, SCRA allows service members to maintain a single state of residence for paying state and local personal income taxes and to request deferrals for certain state and local fees. SCRA also requires creditors to charge no more than 6 percent interest on service members' loan obligations for loans acquired before a member started active-duty service, and it allows courts to temporarily stay certain civil proceedings, such as evictions, foreclosures, and repossessions. SCRA also prohibits lenders from using service members' personal assets to satisfy trade or business liabilities while they are in military service.

Under the bill, the number of active-duty service members covered by SCRA would increase by about 1 percent, CBO estimates. Service members' use of the various provisions of SCRA depends on factors such as the frequency and duration of their deployments. The increase in the number of active-duty service members covered by SCRA would be small, and CBO estimates that the incremental cost of compliance for public or private entities also would be small.

*Private-Sector mandates*

Section 5101 of the bill would impose private-sector mandates as defined in UMRA by prohibiting debt collectors from threatening members of the armed forces and their dependents with certain adverse actions. The cost of the mandate would be the revenue lost by collectors who otherwise would collect payments on the affected debts. According to the Consumer Financial Protection Bureau, active-duty service members hold roughly $3 billion in student loans that are in deferral, delinquency, or default, which only represents a portion of the debt affected under the bill. Because the amount of collections that could be directly attributed to actions that are prohibited under the bill is unknowable, CBO cannot determine whether the cost of the mandates would exceed the private-sector threshold established in UMRA.

The bill also would impose two additional private-sector mandates. One would expand an existing mandate by requiring all citizens, not just men, between the ages of 18 and 26 to register with Selective Service. The second would prohibit consumer reporting agencies from reporting any adverse item of information in consumer reports that would arise as a result of a consumer being a victim of sex trafficking or human trafficking. CBO estimates that the cost of complying with those mandates would be small.

*Other effects*

Expanding the requirement to register for the Selective Service could result in other actions by governmental entities. Many states have enacted laws that support compliance with the federal registration requirement. Some states, for example, require male citizens to prove that they are registered to be eligible to obtain a driver's license. If a state chose to support the expansion of the registration requirement by updating its laws or regulations, it would incur additional administrative costs; however, those costs would be incurred as a result of state laws and would not stem from a mandate under UMRA.

*Previous CBO estimate*

On July 26, 2021, CBO transmitted a cost estimate for S. 576, the Great Lakes Winter Commerce Act, as ordered reported by the Senate Committee on Commerce, Science, and Transportation on April 28, 2021. Parts of S. 576 are similar to section 5301 of H.R. 4350: Both bills would authorize the appropriation of $350 million in 2022 for the acquisition of an icebreaker. Section 5301 would authorize an additional $20 million for icebreaker acquisition in 2023; S. 576 would not.

*Estimate prepared by*

Federal Costs: Caroline Dorminey: Weapons Procurement; Justin Humphrey: Goldwater Education Program; Aaron Krupkin: Maritime Administration and Coast Guard; William Ma: Operation and Maintenance, Military Justice, and Minimum Wage; Christopher Mann: Military Construction and Family Housing; Aldo Prosperi: Research and Development and Selective Service; David Rafferty:

Military Retirement and Immigration; Dan Ready: Wage Localities and FMLA Eligibility; Dawn Sauter Regan: Military and Civilian Personnel; Matt Schmit: Specified Authorizations and Military Health System.

Mandates: Brandon Lever.

*Estimate reviewed by*

David Newman, Chief, Defense, International Affairs, and Veterans' Affairs Cost Estimates Unit; Kathleen FitzGerald, Chief, Public and Private Sector Mandates Unit; Sheila Dacey, Chief, Income Security and Education Cost Estimates Unit; Christi Hawley Anthony, Chief, Projections Unit; Susan Willie, Chief, Natural and Physical Resources Cost Estimates Unit; Leo Lex, Deputy Director of Budget Analysis; Theresa Gullo, Director of Budget Analysis.

TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF H.R. 4350, AS REPORTED BY THE HOUSE COMMITTEE ON ARMED SERVICES ON SEPTEMBER 10, 2021

| | By fiscal year, millions of dollars— | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2021–2026 |
| Increases in Spending Subject to Appropriation | | | | | | | |
| Specified Authorizations for Defense Appropriations | | | | | | | |
| Authorization Level [a] | 0 | 767,585 | 0 | 0 | 0 | 0 | 767,585 |
| Estimated Outlays | 0 | 449,642 | 185,386 | 61,755 | 30,811 | 13,150 | 740,744 |
| Specified Authorizations for Nondefense Appropriations | | | | | | | |
| Authorization Level [b] | 0 | 2,431 | 32 | 14 | 0 | 0 | 2,477 |
| Estimated Outlays | 0 | 447 | 282 | 386 | 507 | 480 | 2,102 |
| Subtotal, Specified Authorizations | | | | | | | |
| Authorization Level | 0 | 770,016 | 32 | 14 | 0 | 0 | 770,062 |
| Estimated Outlays | 0 | 450,089 | 185,668 | 62,141 | 31,318 | 13,630 | 742,846 |
| Estimated Authorizations for Nondefense Appropriations [c] | | | | | | | |
| Estimated Authorization Level | 0 | 27 | 68 | 39 | 38 | 39 | 211 |
| Estimated Outlays | 0 | 25 | 64 | 42 | 38 | 39 | 208 |
| Total | | | | | | | |
| Estimated Authorization Level | 0 | 770,043 | 100 | 53 | 38 | 39 | 770,273 |
| Estimated Outlays | 0 | 450,114 | 185,732 | 62,183 | 31,356 | 13,669 | 743,054 |
| Increases and Decreases (−) in Direct Spending and Revenues [d] | | | | | | | |
| Changes in Direct Spending Outlays | 0 | −18 | 3 | 6 | 8 | 10 | 9 |
| Increases in Revenues | 0 | 0 | 3 | 5 | 7 | 8 | 23 |

Except as discussed in footnote c, the authorization levels in this table reflect amounts that would be specifically authorized by the bill (as reflected in Table 2). Some provisions in the bill also would affect the costs of defense programs in 2023 and future years but not specifically authorize appropriations for those years. Estimates for some of those provisions, which are shown in Table 3, are not included above because CBO expects authorizations of appropriations for those costs would be provided in subsequent defense authorization acts.

[a] Amounts that would be specifically authorized by the bill for defense programs, detailed in Table 2.

[b] Amounts that would be specifically authorized by the bill for nondefense programs, detailed in Table 2.

[c] Estimated authorizations for nondefense programs are detailed in Table 3. Those totals are displayed above because CBO does not assume that they would be included in any future specified authorization of appropriations.

[d] In addition to the changes in direct spending and revenue shown here, H.R. 4350 would have effects beyond 2026. CBO estimates that over the 2022–2031 period, the bill would increase direct spending outlays by $72 million. However, it would also increase revenue by $72 million over the same period so that the net effect on the deficit would be insignificant (see Table 4).

TABLE 2.—SPECIFIED AUTHORIZATIONS OF APPROPRIATIONS IN H.R. 4350, AS REPORTED BY THE HOUSE COMMITTEE ON ARMED SERVICES ON SEPTEMBER 10, 2021

| | By fiscal year, millions of dollars— | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2021–2026 |
| **Specified Authorizations for Defense Appropriations** | | | | | | | |
| Department of Defense Military Personnel | | | | | | | |
| Authorization Level | 0 | 166,859 | 0 | 0 | 0 | 0 | 166,859 |
| Estimated Outlays | 0 | 155,383 | 9,275 | 226 | 45 | 0 | 164,929 |
| Operation and Maintenance | | | | | | | |
| Authorization Level | 0 | 290,958 | 0 | 0 | 0 | 0 | 290,958 |
| Estimated Outlays | 0 | 188,976 | 75,983 | 11,853 | 4,127 | 1,771 | 282,710 |
| Procurement | | | | | | | |
| Authorization Level | 0 | 148,159 | 0 | 0 | 0 | 0 | 148,159 |
| Estimated Outlays | 0 | 31,277 | 42,586 | 33,625 | 19,441 | 8,814 | 135,743 |
| Research and Development | | | | | | | |
| Authorization Level | 0 | 118,074 | 0 | 0 | 0 | 0 | 118,074 |
| Estimated Outlays | 0 | 53,758 | 46,619 | 10,050 | 4,486 | 1,112 | 116,025 |
| Military Construction and Family Housing | | | | | | | |
| Authorization Level | 0 | 13,421 | 0 | 0 | 0 | 0 | 13,421 |
| Estimated Outlays | 0 | 974 | 2,560 | 3,544 | 2,697 | 1,449 | 11,224 |
| Revolving Funds | | | | | | | |
| Authorization Level | 0 | 1,902 | 0 | 0 | 0 | 0 | 1,902 |
| Estimated Outlays | 0 | 1,506 | 322 | 63 | 7 | 3 | 1,901 |
| Subtotal, Department of Defense | | | | | | | |
| Authorization Level | 0 | 739,372 | 0 | 0 | 0 | 0 | 739,372 |
| Estimated Outlays | 0 | 431,874 | 177,345 | 59,361 | 30,803 | 13,149 | 712,532 |
| Atomic Energy Defense Activities [a] | | | | | | | |
| Authorization Level | 0 | 28,212 | 0 | 0 | 0 | 0 | 28,212 |
| Estimated Outlays | 0 | 17,768 | 8,041 | 2,394 | 8 | 1 | 28,212 |
| Total Specified Authorizations for Defense Appropriations | | | | | | | |
| Authorization Level | 0 | 767,585 | 0 | 0 | 0 | 0 | 767,585 |
| Estimated Outlays | 0 | 449,642 | 185,386 | 61,755 | 30,811 | 13,150 | 740,744 |
| **Specified Authorizations for Nondefense Appropriations [b]** | | | | | | | |
| Various Department and Agencies [b] | | | | | | | |
| Authorization Level | 0 | 2,431 | 32 | 14 | 0 | 0 | 2,477 |
| Estimated Outlays | 0 | 447 | 282 | 386 | 507 | 480 | 2,102 |
| Total Specified Authorizations | | | | | | | |
| Authorization Level | 0 | 770,016 | 32 | 14 | 0 | 0 | 770,062 |
| Estimated Outlays | 0 | 450,089 | 185,668 | 62,141 | 31,318 | 13,630 | 742,846 |

This table reflects specified authorizations of appropriations in the bill. Various provisions of the bill also would authorize activities and provide authorities that would affect costs in 2023 and in future years. Because the bill would not specifically authorize appropriations to cover those costs, they are not included in this table. Table 3 provides the estimated costs of some of those provisions.

[a] Primarily for the atomic energy defense activities of the Department of Energy.

[b] The bill would authorize $1,655 million in 2022 for the Maritime Administration. That amount excludes authorizations specified in the bill that are already authorized in current law. It also would authorize $545 million over the 2022–2023 period for the Coast Guard, $188 million over the 2022–2024 period for the Department of Veterans Affairs, $75 million in 2022 for the Armed Forces Retirement Home, and $14 million in 2022 for the Naval Petroleum Reserves.

TABLE 3.—ESTIMATED COSTS FOR SELECTED PROVISIONS IN H.R. 4350, AS REPORTED BY THE HOUSE COMMITTEE ON ARMED SERVICES ON SEPTEMBER 10, 2021

| | By fiscal year, millions of dollars— | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2021–2026 |
| **Military Force End Strength** | | | | | | | |
| Active-Duty | 0 | −30 | −220 | −230 | −230 | −240 | −950 |
| Selected Reserve | 0 | −80 | −100 | −100 | −110 | −110 | −500 |
| Full-Time Selected Reserve | 0 | 200 | 360 | 370 | 390 | 400 | 1,720 |
| Reserve Technicians | 0 | −110 | −220 | −230 | −240 | −240 | −1,040 |
| **Defense Compensation and Benefits** | | | | | | | |
| Expiring Bonuses and Allowances | 0 | 3,580 | 2,620 | 1,890 | 1,860 | 510 | 10,460 |
| Incentive Pay for Reservists | 0 | 0 | 110 | 110 | 110 | 110 | 440 |
| Wage Grade Localities | 0 | 0 | 20 | 50 | 50 | 55 | 175 |

TABLE 3.—ESTIMATED COSTS FOR SELECTED PROVISIONS IN H.R. 4350, AS REPORTED BY THE HOUSE COMMITTEE ON ARMED SERVICES ON SEPTEMBER 10, 2021—Continued

| | By fiscal year, millions of dollars— | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2021–2026 |
| Compensation for Abused Dependents | 0 | 4 | 18 | 33 | 44 | 47 | 146 |
| Benefits for Civilians in Combat Zones | 0 | 0 | 55 | 0 | 0 | 0 | 55 |
| Basic Needs Allowance | 0 | 0 | 5 | 15 | 15 | 15 | 50 |
| FMLA Eligibility (DoD) | 0 | 7 | 7 | 7 | 7 | 8 | 36 |
| Military Health System | | | | | | | |
| PFAS Blood Testing | 0 | 35 | 70 | 70 | 70 | 70 | 315 |
| Cost Sharing for Telehealth | 0 | 10 | 25 | 20 | 20 | 25 | 100 |
| Contraception Cost Sharing | 0 | 15 | 5 | 0 | 0 | 0 | 20 |
| Other Defense Provisions | | | | | | | |
| $15 Minimum Wage Multiyear Procurement | 0 | 195 | 405 | 420 | 435 | 450 | 1,905 |
| UH/HH 60M Black Hawk Helicopters | 0 | 494 | 418 | 472 | 474 | 467 | 2,325 |
| AH–64E Apache Helicopters | 0 | 423 | 439 | 484 | 351 | 0 | 1,697 |
| Nondefense Provisions [a] | | | | | | | |
| Expanded Registration for Selective Service | 0 | 17 | 17 | 12 | 11 | 11 | 68 |
| Wage Grade Localities | 0 | 0 | 10 | 15 | 15 | 15 | 55 |
| FMLA Eligibility (other agencies) | 0 | 10 | 10 | 11 | 11 | 12 | 54 |
| Benefits for Civilians in Combat Zones | 0 | 0 | 30 | 0 | 0 | 0 | 30 |
| Goldwater Education | 0 | 0 | 1 | 1 | 1 | 1 | 4 |

DoD = Department of Defense; PFAS = perfluoroalkyl and polyfluoroalkyl substances.

Amounts shown for defense programs and activities in this table for 2022 are included in the amounts that would be specifically authorized to be appropriated by the bill (as shown in Table 2 and summarized in Table 1). Associated costs for defense programs after 2022 would not be specifically authorized by H.R. 4350 (and therefore are not included in Tables 1 and 2); rather, CBO expects those amounts would be covered by specified authorizations in future National Defense Authorization Acts.

[a] For agencies other than DoD, the bill would not authorize appropriations (in specified amounts) to cover costs shown above. Table 1 summarizes CBO's estimate of those costs.

TABLE 4.—ESTIMATED CHANGES IN DIRECT SPENDING AND REVENUES UNDER H.R. 4350, AS REPORTED BY THE HOUSE COMMITTEE ON ARMED SERVICES ON SEPTEMBER 10, 2021

| | By fiscal year, millions of dollars— | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021–2026 | 2021–2031 |
| Increases or Decreases (−) in Direct Spending | | | | | | | | | | | | | |
| Military Health Fraud and Abuse Program | | | | | | | | | | | | | |
| Estimated Budget Authority | 0 | 0 | 3 | 5 | 7 | 8 | 9 | 9 | 10 | 10 | 11 | 23 | 72 |
| Estimated Outlays | 0 | 0 | 3 | 5 | 7 | 8 | 9 | 9 | 10 | 10 | 11 | 23 | 72 |
| Cost Sharing for Telehealth | | | | | | | | | | | | | |
| Estimated Budget Authority | 0 | * | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 4 | 9 |
| Estimated Outlays | 0 | * | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 4 | 9 |
| Retirees in the Reserves | | | | | | | | | | | | | |
| Estimated Budget Authority | 0 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 6 | 16 |
| Estimated Outlays | 0 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 6 | 16 |
| Survivor Benefit Plan | | | | | | | | | | | | | |
| Estimated Budget Authority | 0 | −19 | −2 | −1 | −1 | −1 | −1 | * | * | * | * | −24 | −25 |
| Estimated Outlays | 0 | −19 | −2 | −1 | −1 | −1 | −1 | * | * | * | * | −24 | −25 |
| Total Changes in Direct Spending | | | | | | | | | | | | | |
| Estimated Budget Authority | 0 | −18 | 3 | 6 | 8 | 10 | 11 | 12 | 13 | 13 | 14 | 9 | 72 |
| Estimated Outlays | 0 | −18 | 3 | 6 | 8 | 10 | 11 | 12 | 13 | 13 | 14 | 9 | 72 |

TABLE 4.—ESTIMATED CHANGES IN DIRECT SPENDING AND REVENUES UNDER H.R. 4350, AS REPORTED BY THE HOUSE COMMITTEE ON ARMED SERVICES ON SEPTEMBER 10, 2021—Continued

| | By fiscal year, millions of dollars— | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021–2026 | 2021–2031 |
| Increases in Revenues | | | | | | | | | | | | | |
| Military Health Fraud and Abuse Program .............. | 0 | 0 | 3 | 5 | 7 | 8 | 9 | 9 | 10 | 10 | 11 | 23 | 72 |
| Net Increase or Decrease (−) in the Deficit From Changes in Direct Spending and Revenues | | | | | | | | | | | | | |
| Effect on the Deficit .......... | 0 | −18 | * | 1 | 1 | 2 | 2 | 3 | 3 | 3 | 3 | −14 | * |

Components may not sum to totals because of rounding; * = between −$500,000 and $500,000. Estimates relative to CBO's July 2021 baseline.

CBO estimates that enacting H.R. 4350 would not increase on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2032. Other provisions in H.R. 4350 would have insignificant effects on direct spending and revenues.

○