



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 24, 2016

S. 1109

Truth in Settlements Act of 2015

*As reported by the House Committee on Oversight and Government Reform
on March 1, 2016*

S. 1109 would establish new requirements for the public disclosure of settlement agreements entered into by federal agencies. Specifically, the legislation would require that nonconfidential settlements be posted online if they involve payments from nonfederal entities that are greater than \$1 million and are related to a violation of civil or criminal laws. Each settlement posted online would have to include the names of the parties involved, a description of the claims settled, the amount to be paid, and whether the settlement is a criminal penalty, a civil penalty, or a fine. In addition, S. 1109 would require the Government Accountability Office (GAO) to complete a report on the confidentiality of settlement agreements.

CBO estimates that enacting S. 1109 would have no significant effect on the federal budget because most of the information required is already collected during the settlement process and the cost of making it available online would not be significant. CBO also estimates that the cost for GAO to prepare the required study would be less than \$500,000. Because enacting S. 1109 could affect direct spending by agencies not funded through annual appropriations, pay-as-you-go procedures apply. CBO estimates that any net changes in spending by those agencies would be negligible. Enacting the legislation would not affect revenues.

CBO estimates that enacting S. 1109 would not increase direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

S. 1109 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

On May 20, 2015, CBO transmitted an estimate for S. 1109, as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on May 6, 2015. The two versions of the legislation are similar, and CBO's estimates of the budgetary effects are the same. The previous version of the legislation also contained a private-sector mandate that is not included in this version of the act.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.