



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

March 13, 2015

S. 143

United States Merchant Marine Academy Improvements Act of 2015

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on February 26, 2015*

S. 143 would authorize the Maritime Administration (MARAD) to accept a monetary donation from the United States Merchant Marine Academy Alumni Association and Foundation to renovate Melville Hall of the Merchant Marine Academy in the state of New York. If the foundation chooses to make a donation that is 25 percent greater than the minimum amount required to renovate Melville Hall, the bill would authorize MARAD to enter into a contract with the foundation to operate the hall for certain purposes. Under the contract, the foundation would maintain the hall and make its facilities available for official academy functions, as well as industry events, conferences, and other activities. The foundation would retain sufficient income to cover its costs of hosting such events in the hall and remit any remaining amounts to a federal fund that would be used, without further appropriation, to promote the morale and welfare of the academy's cadets.

Based on information provided by MARAD, CBO estimates that the foundation would need to donate \$9 million to allow MARAD to renovate the hall and to contract with the foundation to operate the hall. CBO estimates that the gift would be spent, without further appropriation, for the authorized purposes and that any net income from using the hall to host events would also be spent, resulting in no significant net budgetary impact. Because enacting S. 143 would affect direct spending, pay-as-you-go procedures apply. Enacting S. 143 would not affect revenues.

S. 143 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.

The CBO staff contact for this estimate is Martin von Gnechten. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.