



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 3, 2016

H.R. 3738 **Office of Financial Research Accountability Act of 2015**

As ordered reported by the House Committee on Financial Services on November 4, 2015

SUMMARY

H.R. 3738 would direct the Office of Financial Research (OFR) to develop a detailed work plan for the upcoming fiscal year and to publish all reports completed by the office's researchers and financial analysts. In addition the bill would impose a new consultation requirement for all public reports produced by the OFR and would establish a formal notice and public comment period before the agency could issue a final report. Finally, under the bill, the OFR would prepare and implement a cybersecurity plan to protect the data the office possesses. The bill also would direct the Government Accountability Office (GAO) to audit the OFR's cybersecurity plan and its implementation.

CBO estimates that enacting H.R. 3738 would increase direct spending by \$32 million and revenues by \$28 million over the 2017-2026 period. On net, CBO estimates that enacting the bill would increase budget deficits by \$4 million over the 10-year period. Pay-as-you-go procedures apply because enacting the legislation would affect direct spending and revenues.

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2027.

H.R. 3738 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 3738 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars											2016-	2016-
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2021	2026
INCREASES IN DIRECT SPENDING													
Office of Financial Research													
Estimated Budget Authority	0	3	3	3	3	3	3	3	3	4	4	15	32
Estimated Outlays	0	3	3	3	3	3	3	3	3	4	4	15	32
INCREASES IN REVENUES													
Estimated Revenues	0	0	3	3	3	3	3	3	3	3	4	12	28
NET INCREASE IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING AND REVENUES													
Impact on Deficit	0	3	0	0	0	0	0	0	0	1	0	3	4

BASIS OF ESTIMATE

For the purposes of this estimate, CBO assumes that the bill will be enacted by the end of fiscal year 2016 and that spending will follow historical patterns for operations of the OFR.

Direct Spending

H.R. 3738 would require the OFR to develop and publish an annual work plan that includes schedules and other information for each report, study, working paper, grant, guidance, data collection, or request for information expected to be underway or commenced during the coming year. The annual work plan would be subject to a public comment period before being adopted. In addition, each of roughly 200 papers and reports produced each year would be subject to new review, publication, and consultation requirements. On the basis of information from the OFR, CBO estimates that implementing those new requirements would cost about \$2.5 million a year. CBO estimates that preparing the annual report on cybersecurity matters would cost less than \$500,000 annually.

Revenues

Under current law, the OFR levies assessments on certain financial institutions to cover expenses incurred by the office. During fiscal year 2016 the OFR plans to make assessments of about \$100 million. Because the bill would increase costs to the OFR, CBO estimates that there would be corresponding increases in assessments. Reflecting the procedures that the OFR uses to set the assessment rates, CBO estimates that the change in assessments would occur about one year after the costs were incurred. As a result, CBO estimates that enacting the bill would increase revenues by \$28 million over the 2017-2026 period.

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 the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 3738, as ordered reported by the House Committee on Financial Services on November 4, 2015

	By Fiscal Year, in Millions of Dollars												2016-	2016-
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2021	2026	
NET INCREASE IN THE DEFICIT														
Statutory Pay-As-You-Go Impact	0	3	0	0	0	0	0	0	0	1	0	3	4	
Memorandum:														
Changes in Outlays	0	3	3	3	3	3	3	3	3	4	4	15	32	
Changes in Revenues	0	0	3	3	3	3	3	3	3	3	4	12	28	

INCREASE IN LONG TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2027.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3738 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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