



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 4, 2015

### **S. 1417**

#### **United States Grain Standards Act Reauthorization Act of 2015**

*As ordered reported by the Senate Committee on Agriculture, Nutrition, and Forestry  
on May 21, 2015*

#### **SUMMARY**

S. 1417 would amend and extend, through 2020, the U.S. Department of Agriculture's authority to carry out its responsibilities under the United States Grain Standards Act. The bill would authorize the appropriation of whatever amounts are necessary for the Grain Inspection, Packers, and Stockyards Administration (GIPSA) to carry out activities under that act and extend GIPSA's authority to collect and spend fees for certain inspection and weighing services. S. 1417 also would allow the Secretary of Agriculture to authorize state agencies to perform those services for grain destined for export and would specify procedures to follow during disruptions in services.

CBO estimates that implementing S. 1417 would cost \$106 million over the 2016-2020 period, assuming appropriation of the necessary amounts. Enacting the bill would affect direct spending; therefore, pay-as-you-go procedures apply. However, CBO estimates that the net effect on direct spending would not be significant in any year. The bill would not affect revenues.

S. 1417 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. The bill would extend the GIPSA's authority to collect fees from state agencies to which it has delegated responsibilities under the Grain Standards Act, but the agencies pay those fees as a condition of participating in a voluntary federal program.

S. 1417 would impose a private-sector mandate, as defined in UMRA, on grain exporters by extending GIPSA's authority to collect fees. Based on information from GIPSA, CBO estimates that the cost of complying with the mandate would fall below the annual threshold established in UMRA for private-sector mandates (\$154 million in 2015, adjusted annually for inflation).

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of S. 1417 is shown in the following table. The costs of this legislation fall within budget function 350 (agriculture).

	By Fiscal Year, in Millions of Dollars					2016-2020
	2016	2017	2018	2019	2020	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	20	21	21	22	22	106
Estimated Outlays	20	21	21	22	22	106

## BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1417 will be enacted late in 2015, and that the necessary amounts will be appropriated in each of the next five years.

The legislation would reauthorize, through 2020, annual appropriations for GIPSA's activities under the United States Grain Standards Act. (Under current law, such authorities will expire on September 30, 2015). In 2015, GIPSA received an appropriation of \$20 million for its operations. Assuming that GIPSA's costs under S. 1417 would remain in line with current funding levels, CBO estimates that continuing the agency's activities would cost \$106 million over the 2016-2020 period. That estimate assumes the agency's current funding level would be adjusted for anticipated inflation.

The bill also would extend GIPSA's authority to collect and spend fees for inspection and weighing service of grain destined for export. GIPSA establishes such fees to recover the costs of providing those services. CBO estimates that offsetting receipts from such fees will total \$47 million in 2015. Because fee collections could be adjusted to offset the cost of inspection and weighing services, CBO estimates that the provision would have no significant net effect on direct spending in any year.

## PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-go Act of 2010 established budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. CBO estimates that any net change in direct spending under S. 1417 would be insignificant over the 2016-2020 period. The bill would not affect revenues.

## **IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

S. 1417 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The bill would extend GIPSA's authority to collect fees from state agencies to which it has delegated certain responsibilities under the Grain Standards Act, but those agencies pay such fees as a condition of participating in a voluntary federal program.

## **ESTIMATED IMPACT TO THE PRIVATE SECTOR**

S. 1417 would impose a private-sector mandate, as defined in UMRA, on grain exporters by extending GIPSA authority to collect fees for grain inspection and weighing services. Exporters are required to use GIPSA's inspection and weighing services. Based on information from GIPSA, CBO estimates that the fees paid by grain exporters would amount to \$50 million to \$60 million annually. Consequently, the cost of complying with the mandate would fall below the annual threshold established in UMRA for private-sector mandates (\$154 million in 2015, adjusted annually for inflation).

## **PREVIOUS CBO ESTIMATE**

On May 13, 2015, CBO transmitted a cost estimate for H.R. 2088, the United States Grain Standards Act Reauthorization Act of 2015, as ordered reported by the House Committee on Agriculture on April 30, 2015. S. 1417 and H.R. 2088 are substantively similar, and our cost estimates are the same.

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