



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 14, 2017

S. 1463

Financial Stability Oversight Council Insurance Member Continuity Act

*As ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs
on September 7, 2017*

Under current law, the Financial Stability Oversight Council (FSOC) is composed of ten voting members; the heads of nine federal financial agencies and an independent member with insurance expertise appointed by the President, with the advice and consent of the Senate. The independent member serves a six year term. S. 1463 would allow the independent member to continue to serve on the FSOC for up to 18 months after the end of the member's term if a successor has not been appointed and confirmed.

Based on information from the FSOC, CBO estimates that enacting S. 1463 would cost less than \$500,000. That amount would cover the additional personnel costs for the independent member until a successor is appointed. Under current law, expenses of the FSOC are considered to be expenses of the Office of Financial Research (OFR), which is direct spending. The OFR is authorized to levy assessments, which are recorded in the budget as revenues, on certain financial institutions to offset its operating costs. Accordingly, CBO estimates that the bill's net effect on the deficit would be negligible.

Because enacting S. 1463 would affect both direct spending and revenues, pay-as-you-go procedures apply.

CBO estimates that enacting S. 1463 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 1463 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 August 16, 2017, CBO transmitted a cost estimate for H.R. 3110, the Financial Stability Oversight Council Insurance Member Continuity Act, as ordered reported by the House Committee on Financial Services on July 25, 2017. The two pieces of legislation are similar and CBO's estimate of their budgetary effects is the same.

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