



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 22, 2018

H.R. 5907 NIMBLE Act

*As ordered reported by the House Committee on Science, Space, and Technology
on May 23, 2018*

H.R. 5907 would authorize the directors of the Department of Energy's (DOE's) national laboratories to enter into certain agreements with third parties without prior approval if the agreements are valued at less than \$1 million.

Under current law, the agreements that would be affected by the bill require the directors of the national laboratories to obtain insurance for any contract that creates a partnership with a third party. In certain situations, the federal government may reimburse directors for the cost of liabilities that are not covered by insurance. CBO expects that implementing the bill would increase the number of such agreements between the national laboratories and third parties, thereby increasing DOE's potential reimbursement payments to lab directors.

In the past, those reimbursements have been made with funds from the Department of Energy's existing appropriations. Based on information about the size and probability of such payments in the past, CBO estimates that implementing H.R. 5907 would cost less than \$500,000 over the 2019-2023 period and would be subject to the availability of appropriated funds.

Enacting H.R. 5907 could affect direct spending; therefore, pay-as-you-go procedures apply. Under current law, the national laboratories are prohibited from charging third parties fees in excess of cost recovery when entering into covered agreements. The bill would permit them to charge rates higher than for cost recovery and to spend any additional collections (collections are recorded in the budget as reductions in direct spending) for research and development activities at the laboratories without further appropriation. CBO expects that any additional collections resulting from those higher rates would be offset by an expenditure soon thereafter. Thus, CBO estimates that the net effect on direct spending would be negligible. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 5907 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 5907 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Janani Shankaran. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.