



October 11, 2018

Honorable Jim Renacci  
U.S. House of Representatives  
Washington, DC 20515

*Re: S. 2147, the Butch-Lewis Act of 2017, as introduced.*

Dear Congressman:

I am writing in response to your September 18, 2018, letter asking for details about our analysis of S. 2147, the Butch Lewis Act of 2017. CBO provided a preliminary analysis of that legislation, as it was introduced, on July 16, 2018. That preliminary and partial analysis found that the bill would probably increase deficits by more than \$100 billion over the 2019-2028 period. However, several key aspects of the legislation, as introduced, are broadly described, so it is difficult to project how the proposal would be implemented. Under some interpretations of the bill language, few plans would qualify for loans and assistance, resulting in federal costs that would be substantially less than \$100 billion.

Since releasing that letter, CBO has worked with Congressional staff on variations of the proposal but has not completed a formal estimate of the introduced bill or of any of those versions. You asked about the basis of any changes that CBO made to the preliminary score. If CBO were to complete a formal estimate of the introduced version or any other public version of the legislation, we would provide that information.

You also requested that CBO produce a 30-year cost estimate of the bill. Although CBO's cost estimates generally provide estimates for a 10-year period, we often include information about longer-term effects and would do so for any formal estimates of S. 2147. In particular, we would report whether the bill would increase net direct spending or on-budget deficits by more than \$5 billion in at least one of the four 10-year periods beginning in 2029. We expect that enacting S. 2147 would do so.

Finally, you requested that CBO use a fair-value accounting approach in estimating the costs of the bill. The Concurrent Resolution on the Budget for Fiscal Year 2018 (H. Con. Res. 71) requires CBO, when practicable, to

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include fair-value estimates as additional information in cost estimates for legislation affecting student loans and housing programs. For other programs, CBO is required to provide a fair-value estimate of loan proposals if requested by the chair of the Budget Committee and if providing such an estimate is practicable. If CBO were to complete a formal estimate of S. 2147 or any of its variations, we would work with the Budget Committee to assess the practicability of providing such an estimate.

I hope this information is useful. If you have any other questions, I am happy to talk with you further.

Sincerely,

A handwritten signature in black ink that reads "Mark P. Hoeller" followed by a stylized flourish.

Keith Hall  
Director