

Congressional Budget Office
Estimate for Divisions O Through FF
H.R. 133, Consolidated Appropriations Act, 2021
Public Law 116-260
Enacted on December 27, 2020

The Congressional Budget Office and the staff of the Joint Committee on Taxation (JCT) have completed an estimate of the direct spending and revenue effects of divisions O through FF of H.R. 133, the Consolidated Appropriations Act, 2021 (enacted on December 27, 2020, as Public Law 116-260).¹ Those divisions affect programs throughout the federal government. CBO and JCT estimate that those provisions will increase deficits by \$175 billion over the 2021-2030 period.

The major provisions of divisions O through FF are described below.

Division O makes technical corrections to the United States-Mexico-Canada Agreement Implementation Act. The budgetary effects stem mostly from an increase in revenues caused by changing the rules for foreign trade zones to standards set previously under the North American Free Trade Agreement and from an increase in direct spending attributable to refunds of certain merchandise-processing fees. CBO estimates that insignificant budgetary effects will arise from a provision that extends the authority of U.S. Customs and Border Protection to collect and spend donations and from one that repeals collections of criminal penalties for several rarely prosecuted offenses.

Division Q modifies existing laws and policies governing financial services and intellectual property. Small direct spending and revenue effects stem from new reporting requirements and from prohibitions on unauthorized streaming of copyright-protected content over the Internet. CBO estimates that other provisions in Division Q will have minimal budgetary effects.

Division X provides emergency temporary support and flexibility for older children in foster care and for kinship families, for foster care prevention services, and for other child welfare services. The division also extends funding through the end of fiscal year 2021 for home visit programs promoting maternal and child health. It also provides additional

1. CBO estimates that divisions P, R, S, T, U, V, and W either will not affect deficits or will have insignificant deficit effects over the 2021-2030 period.

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funding for the MaryLee Allen Promoting Safe and Stable Families Program and support for the court improvement program related to foster care and adoption proceedings.

Division Y increases the number of retired coal miners (and their dependents) who are eligible for health benefits under the United Mine Workers of America 1993 Benefit Plan. It permanently authorizes federal contributions to that plan on behalf of people whose retiree health benefits, provided by an employer in the bituminous coal industry under a coal wage agreement, will otherwise be denied or reduced because of a qualifying bankruptcy proceeding that commenced after 2019. Division Y also authorizes federal subsidy payments for people who became eligible for nonfederal benefits under the 1993 Benefit Plan after December 20, 2019, and who were enrolled in the plan as of the date of enactment of P.L. 116-260.

Division Z modifies existing laws and policies governing the energy sector. Most of the direct spending effects stem from provisions in titles I, II, and IX. Title I increases federal agencies' use of third-party financing for energy efficiency measures. Title II authorizes the Department of Energy to acquire certain materials on behalf of other entities and to develop a schedule for recovering those costs. Title IX expands eligibility for loan guarantees made by the department for projects that use advanced energy technologies. Other titles in Division Z have smaller estimated budgetary effects.

Division AA authorizes the Army Corps of Engineers to construct projects and conduct feasibility studies to improve navigation and flood management, mitigate storm and hurricane damage, and restore ecosystems. Provisions of title I authorize the Corps either to renegotiate the terms of deferred-payment agreements for eligible projects or, in exchange for a waiver of all interest payments, to accept full repayment of outstanding principal amounts by nonfederal sponsors by 2023. Other provisions also reduce payments to the federal government by authorizing the Corps to modify existing water contracts, limit charges for certain new water contracts, and waive amounts owed by a nonfederal sponsor on a harbor project. Title V allows the Secretary of the Army to accept and spend funds from the Tennessee Valley Authority, without further appropriation, for activities related to managing the population of Asian carp in certain rivers.

Division BB establishes requirements related to private health insurance, extends funding for some public health programs, and authorizes new public health activities. Title I establishes patient protections from surprise medical billing, institutes a process to resolve disputes between health care providers and insurers unable to reach agreement on payments for out-of-network health care, and provides \$500 million to federal agencies for implementation. CBO and JCT estimate that in most affected markets in most years,

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smaller payments to some providers would reduce premiums by between 0.5 percent and 1 percent. Lower costs for health insurance would reduce federal deficits because the federal government subsidizes most private insurance through tax preferences for employment-based coverage and through the health insurance marketplaces established under the Affordable Care Act. Titles I and II create rules to govern contracts between insurers and health care providers and establish other requirements for private health insurers related to transparency and providing price information to patients; CBO anticipates that those rules will not affect premiums for private health insurance or the federal budget. Title III extends funding for community health centers and for public health activities related to diabetes.

Division CC makes numerous changes to federal health care programs and other programs in the Department of Health and Human Services. Title I extends several programs and policies that otherwise would have expired by the end of calendar year 2020, including two demonstration programs under Medicare. That title also modifies Medicare payment and coverage rules; in particular, it changes payments to physicians and to providers in rural areas. Title II extends programs under Medicaid that otherwise also would have expired in December 2020, including the Money Follows the Person and Certified Community Behavioral Health Clinic demonstration programs. Title III extends several of the department's human services programs that also would have expired in December 2020, and it reauthorizes and amends certain grant programs. Title IV includes policies that generally reduce federal spending over the 2021-2030 period—largely for Medicare—primarily by reducing payments, including those for prescription drugs furnished in physicians' offices and outpatient hospital departments and to providers of hospice care.

Division DD secures water supplies for the Confederated Salish and Kootenai Tribes in Montana by ratifying the Confederated Salish and Kootenai-Montana Compact made by the federal government, the State of Montana, and those tribes. Division DD also provides funding to capitalize the Séliš-Qlispé Ksanka Settlement Trust Fund.

Division EE extends or modifies dozens of tax provisions, many of which were scheduled to expire at the end of calendar year 2020. The changes include the permanent extension of an expanded deduction for itemized medical expenses and the extension of certain reductions in excise taxes on beer, wine, and distilled spirits. Temporary extensions also are provided for various tax provisions, including tax credits for hiring people from certain targeted groups and for employee retention, paid family and medical leave, and investments in renewable energy. The division also temporarily allows

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businesses to fully deduct expenses for business meals and provides disaster-related tax relief.

Division FF makes changes to a variety of laws. Title VII amends both the eligibility criteria and the formula for calculating eligibility for federal student aid, allows certain incarcerated students to receive Pell grants, repeals a provision setting the maximum period in which borrowers may receive subsidized student loans, and forgives outstanding balances on capital financing loans to historically Black colleges and universities. Title XI provides funding for the Bureau of Reclamation to construct water distribution facilities to implement the Aamodt litigation settlement. Title XII, which establishes the Horseracing Integrity and Safety Authority, affects both revenues and direct spending by levying fees to fund operational expenses. Title XVI allows the Department of Veterans Affairs to record obligations for community health care at the time payment for treatment is approved—the budgetary effects arise from the authority to delay the recording of obligations. Insignificant budgetary effects stem from several other titles. Among those are title III, which authorizes sanctions to deny certain people entry into the United States and blocks transactions in assets and property that are in the United States; and title IX, which affects telecommunications programs administered by the Federal Communications Commission.

Although P.L. 116-260 is appropriation legislation, section 1401 of division O specifies requirements for the budgetary treatment of divisions N through FF. Those requirements do not apply to title VIII of division O or to title XIII of division FF. (The budgetary effects of those provisions are included in CBO’s estimate of discretionary spending under division M of the legislation.)²

In keeping with section 1401 of division O, and at the direction of the House and Senate Committees on the Budget, divisions N through FF are considered authorizing legislation rather than appropriation legislation. As a result, the estimated budgetary effects of those divisions are subject to pay-as-you-go procedures. However, section 1401 of division O also requires the estimated budgetary effects stemming from those divisions to be excluded from the pay-as-you-go scorecards maintained by the Senate and the Office of Management and Budget. Furthermore, subsection 1401(d) of division O reset the balances of those scorecards to zero upon the adjournment of the second session of the 116th Congress.

2. See Congressional Budget Office, cost estimate for Division M of H.R. 133, the Consolidated Appropriations Act, 2021 (December 22, 2020), www.cbo.gov/publication/56916.

**Estimated Direct Spending and Revenue Effects for Divisions O Through FF**

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By Fiscal Year, Millions of Dollars

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021- 2025	2021- 2030
INCREASES OR DECREASES (-) IN DIRECT SPENDING^a												
Division O - EXTENSIONS AND TECHNICAL CORRECTIONS												
Title I - Immigration Extensions												
Estimated Budget Authority	6	6	3	1	2	1	1	1	1	1	18	23
Estimated Outlays	6	6	3	1	2	1	1	1	1	1	18	23
Title VI - USMCA Implementation Act Technical Corrections												
Estimated Budget Authority	181	125	50	25	10	5	5	5	5	5	391	416
Estimated Outlays	159	130	57	32	13	5	5	5	5	5	391	416
Title IX - Adjustment of Status for Liberian Nationals Extension												
Estimated Budget Authority	*	1	1	1	1	1	1	1	1	1	4	9
Estimated Outlays	*	1	1	1	1	1	1	1	1	1	4	9
Division O Total												
Estimated Budget Authority	187	132	54	27	13	7	7	7	7	7	413	448
Estimated Outlays	165	137	61	34	16	7	7	7	7	7	413	448
Division X - SUPPORTING FOSTER YOUTH AND FAMILIES THROUGH THE PANDEMIC^b												
Estimated Budget Authority	741	7	0	0	0	0	0	0	0	0	748	748
Estimated Outlays	707	107	9	1	1	0	0	0	0	0	825	825
Division Y - AMERICAN MINER BENEFITS IMPROVEMENT												
Estimated Budget Authority	11	26	43	56	69	83	91	94	97	100	205	670
Estimated Outlays	11	26	43	56	69	83	91	94	97	100	205	670
Division Z - ENERGY ACT OF 2020												
Title I - Efficiency ^c												
Estimated Budget Authority	8	62	62	62	62	62	62	62	62	62	256	566
Estimated Outlays	2	22	46	62	62	62	62	62	62	62	194	504
Title II - Nuclear ^d												
Estimated Budget Authority	0	200	0	0	0	0	0	-3	-14	-14	200	169
Estimated Outlays	0	5	20	60	60	50	5	-3	-14	-14	145	169
Title IV - Carbon Management ^e												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	*	1	1	1	1	1	1	1	1	1	4	9
Title IX - Department of Energy Innovation ^f												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	0	0	1	3	3	6	6	7	7	7	7	40
Division Z Total												
Estimated Budget Authority	8	262	62	62	62	62	62	59	48	48	456	735
Estimated Outlays	2	28	68	126	126	119	74	67	56	56	350	722
Division AA - WATER RESOURCES DEVELOPMENT ACT OF 2020												
Title III - Deauthorizations and Modifications												
Estimated Budget Authority	-220	-125	-109	75	75	75	75	75	75	75	-304	71
Estimated Outlays	-220	-125	-109	75	75	75	75	75	75	75	-304	71
Title V - Other Matters												
Estimated Budget Authority	0	0	2	2	*	*	*	*	*	*	4	2
Estimated Outlays	0	0	1	2	1	*	*	*	*	*	4	2
Division AA Total												
Estimated Budget Authority	-220	-125	-107	77	75	75	75	75	75	75	-300	73
Estimated Outlays	-220	-125	-108	77	76	75	75	75	75	75	-300	73
Division BB - PRIVATE HEALTH INSURANCE AND PUBLIC HEALTH PROVISIONS												
Title I - No Surprises Act												
Estimated Budget Authority	500	-29	-63	-77	-81	-83	-85	-89	-93	-96	250	-196
Estimated Outlays	50	271	37	-27	-81	-83	-85	-89	-93	-96	250	-196
Title III - Public Health Provisions												
Estimated Budget Authority	3,613	4,737	4,737	0	0	0	0	0	0	0	13,087	13,087
Estimated Outlays	1,406	3,442	4,510	2,843	854	15	0	0	0	0	13,055	13,070
Division BB Total												
Estimated Budget Authority	4,113	4,708	4,674	-77	-81	-83	-85	-89	-93	-96	13,337	12,891
Estimated Outlays	1,456	3,713	4,547	2,816	773	-68	-85	-89	-93	-96	13,305	12,874

continued



Estimated Direct Spending and Revenue Effects for Divisions O Through FF
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By Fiscal Year, Millions of Dollars

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021- 2025	2021- 2030
INCREASES OR DECREASES (-) IN DIRECT SPENDING												
Division CC - HEALTH EXTENDERS												
Title I - Medicare Provisions												
Estimated Budget Authority	506	994	1,560	1,300	869	785	1,048	1,267	1,263	1,769	5,229	11,361
Estimated Outlays	484	999	1,560	1,312	873	786	1,048	1,267	1,263	1,769	5,228	11,361
Title II - Medicaid Extenders and Other Policies												
Estimated Budget Authority	1,892	3,916	4,132	418	193	-250	-789	-975	-1,170	-935	10,551	6,432
Estimated Outlays	1,575	3,475	3,806	731	600	20	-722	-975	-1,170	-935	10,187	6,405
Title III - Human Services												
Estimated Budget Authority	122	170	170	20	20	20	20	20	20	20	502	602
Estimated Outlays	1	57	129	156	94	34	19	18	18	18	437	544
Title IV - Health Offsets												
Estimated Budget Authority	-89	-552	-613	-663	-4,287	-1,276	-1,445	-1,716	-1,753	-2,158	-6,204	-14,552
Estimated Outlays	-89	-552	-614	-663	-1,847	-2,352	-2,573	-1,755	-1,753	-2,158	-3,765	-14,356
Title V - Miscellaneous												
Estimated Budget Authority	37	0	0	0	0	0	0	0	0	0	37	37
Estimated Outlays	31	4	2	0	0	0	0	0	0	0	37	37
Division CC Total												
Estimated Budget Authority	2,468	4,528	5,249	1,075	-3,205	-721	-1,166	-1,404	-1,640	-1,304	10,115	3,880
Estimated Outlays	2,002	3,983	4,883	1,536	-280	-1,512	-2,228	-1,445	-1,642	-1,306	12,124	3,991
Division DD - MONTANA WATER RIGHTS PROTECTION ACT												
Estimated Budget Authority	90	92	94	97	100	103	106	110	113	116	473	1,021
Estimated Outlays	17	51	51	52	53	54	55	56	57	57	224	503
Division EE - TAXPAYER CERTAINTY AND DISASTER TAX RELIEF ACT OF 2020												
Title I - Extension of Certain Expiring Provisions												
Estimated Budget Authority	13	4	0	0	0	0	0	0	0	0	17	17
Estimated Outlays	13	4	0	0	0	0	0	0	0	0	17	17
Title II - Other Provisions												
Estimated Budget Authority	9,467	628	0	0	0	0	0	0	0	0	10,095	10,095
Estimated Outlays	9,467	628	0	0	0	0	0	0	0	0	10,095	10,095
Division EE Total												
Estimated Budget Authority	9,480	632	0	0	0	0	0	0	0	0	10,112	10,112
Estimated Outlays	9,480	632	0	0	0	0	0	0	0	0	10,112	10,112
Division FF - OTHER MATTER												
Title VII - FAFSA Simplification												
Estimated Budget Authority	1,572	157	661	687	710	739	769	793	813	810	3,787	7,711
Estimated Outlays	1,531	151	223	651	682	706	730	760	782	798	3,238	7,014
Title XI - Western Water and Indian Affairs ^g												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	0	15	17	17	25	28	40	13	2	0	74	157
Title XII - Horseracing Integrity and Safety ^h												
Estimated Budget Authority	0	0	13	13	13	13	13	13	13	13	39	104
Estimated Outlays	0	0	9	13	13	13	13	13	13	13	35	100
Title XVI - Recording of Obligations												
Estimated Budget Authority	6,000	0	0	0	0	0	0	0	0	0	6,000	6,000
Estimated Outlays	0	5,400	600	0	0	0	0	0	0	0	6,000	6,000
Division FF Total												
Estimated Budget Authority	7,572	157	674	700	723	752	782	806	826	823	9,826	13,815
Estimated Outlays	1,531	5,566	849	681	720	747	783	786	797	811	9,347	13,271

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Estimated Direct Spending and Revenue Effects for Divisions O Through FF
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By Fiscal Year, Millions of Dollars											2021-	2021-
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2025	2030
Total Change in Direct Spending												
Estimated Budget Authority	24,450	10,419	10,743	2,017	-2,244	278	-128	-342	-567	-231	45,385	44,393
Estimated Outlays¹	15,151	14,118	10,403	5,379	1,554	-495	-1,228	-449	-646	-296	46,605	43,489
INCREASES OR DECREASES (-) IN REVENUES												
Division O - EXTENSIONS AND TECHNICAL CORRECTIONS												
Title I - Immigration Extensions	*	*	*	*	*	*	*	*	*	-1	*	-1
Title VI - USMCA Implementation Act Technical Corrections	31	86	119	155	193	232	274	320	369	384	584	2,163
Division O Total	31	86	119	155	193	232	274	320	369	383	584	2,162
Division Q - FINANCIAL SERVICES PROVISIONS AND INTELLECTUAL PROPERTY												
Title I - Financial Services Provisions	*	*	*	*	*	*	*	*	0	0	*	-1
Division Y - AMERICAN MINER BENEFITS IMPROVEMENT												
Revenues	*	*	*	*	*	*	*	*	*	*	1	2
Division BB - PRIVATE HEALTH INSURANCE AND PUBLIC HEALTH PROVISIONS												
Title I - No Surprises Act	0	636	1,322	1,581	1,702	1,969	2,164	2,315	2,479	2,655	5,241	16,823
Division CC - HEALTH EXTENDERS												
Title IV - Health Offsets	0	0	5	5	6	6	6	6	6	6	16	46
Division EE - TAXPAYER CERTAINTY AND DISASTER TAX RELIEF ACT OF 2020												
Title I - Extension of Certain Expiring Provisions	-4,880	-11,286	-12,626	-14,088	-14,095	-9,844	-8,564	-8,871	-9,524	-10,006	-56,971	-103,782
Title II - Other Provisions	-16,831	-10,406	-706	-274	-665	-932	-1,374	-1,665	-1,985	-2,400	-28,881	-37,236
Title III - Disaster Tax Relief	-5,752	-1,776	-916	-514	-107	-110	-110	-110	-110	-110	-9,064	-9,617
Division EE Total	-27,463	-23,468	-14,248	-14,876	-14,867	-10,886	-10,048	-10,646	-11,619	-12,516	-94,916	-150,635
Division FF - OTHER MATTER												
Title XII - Horseracing Integrity and Safety ^h	0	0	10	10	10	10	10	10	10	10	30	80
Total Change in Revenues	-27,432	-22,746	-12,792	-13,125	-12,956	-8,669	-7,594	-7,995	-8,755	-9,462	-89,044	-131,523
NET INCREASES OR DECREASES (-) IN THE DEFICIT FROM DIRECT SPENDING AND REVENUES												
Estimated Effect on the Deficit	42,583	36,864	23,195	18,504	14,510	8,174	6,366	7,546	8,109	9,166	135,649	175,012
<i>On-Budget</i>	42,302	36,525	23,017	18,615	14,638	8,590	6,903	8,121	8,724	9,825	135,092	177,258
<i>Off-Budget</i>	281	339	178	-111	-128	-416	-537	-575	-615	-659	557	-2,246

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

CBO's estimates are relative to CBO's March 2020 baseline, except where noted.

The staff of the Joint Committee on Taxation provided estimates for the tax provisions. See Joint Committee on Taxation, *Estimated Revenue Effects of the Revenue Provisions Contained in Rules Committee Print 116-68*, the "Consolidated Appropriations Act, 2021" (December 2020), JCX-24-20, www.jct.gov/publications/2020/jcx-24-20.

Components may not sum to totals because of rounding.

Titles I and II of division Q; title I of division R; titles IV, VIII, and IX of division U, title III of division W, and titles III and XI of division Z have an insignificant cost over the 2021-2030 period. Title I of division R, title I of division V, and title II of division Z have an insignificant effect on revenues over the 2021-2030 period.

DOE = Department of Energy; FAFSA = Free Application for Federal Student Aid; USMCA = United States-Mexico-Canada Agreement; * = between -\$500,000 and \$500,000.

Footnotes appear on the following page.



Estimated Direct Spending and Revenue Effects for Divisions O Through FF
continued

- a. Public Law 116-260 is appropriation legislation, but section 1401 of division O specifies requirements for the budgetary treatment of divisions N through FF. (Those requirements do not apply to title VIII of division O or to title XIII of division FF. The budgetary effects of those provisions are included in CBO's estimate of discretionary spending under division M of the legislation. For more information on the components of division M, see Congressional Budget Office, cost estimate for Division M of H.R. 133, the Consolidated Appropriations Act, 2021, December 22, 2020, www.cbo.gov/publication/56916.) In keeping with section 1401 of division O, and at the direction of the House and Senate Committees on the Budget, divisions N through FF are considered authorizing legislation rather than appropriation legislation. As a result, the estimated budgetary effects of those divisions are subject to pay-as-you-go procedures. However, section 1401 of division O also requires the estimated budgetary effects stemming from those divisions to be excluded from the pay-as-you-go scorecards maintained by the Senate and the Office of Management and Budget. Furthermore, subsection 1401(d) of division O reset the balances of those scorecards to zero upon the adjournment of the second session of the 116th Congress.
 - b. Division X allows the Secretary of Health and Human Services to extend various deadlines for maternal and child home visiting programs, including the deadlines by which prior-year appropriations must be spent.
 - c. CBO's estimate of the budgetary effects of title I of division Z are measured on a cash basis. Section 3207 of the Concurrent Resolution on the Budget for Fiscal Year 2016 calls for using alternative estimating methods for purposes of budget-related points of order in the Senate for legislation related to activities financed by energy savings performance contracts. Using the required methodology for performance contracts, CBO estimates that, for purposes of budget-related points of order in the Senate, enacting title I of division Z would not affect direct spending, resulting in an estimated cost for that division of \$218 million over the 2021-2030 period. Thus, for purposes of budget-related points of order in the Senate, the estimated increase in direct spending for the act as a whole would be \$504 million smaller than shown in this table.
 - d. Section 2001 authorizes DOE to acquire certain materials on behalf of other entities and to develop a schedule for recovering those costs.
 - e. Section 4006 modifies DOE's authority to spend certain balances on the National Energy Technology Laboratory. This provision affects outlays only.
 - f. Section 9010 expands eligibility for loan guarantees made by DOE for projects that use advanced energy technologies. This provision affects outlays only.
 - g. Title XI increases the amount that the Bureau of Reclamation is authorized to spend from funds already provided to the Reclamation Water Settlements Fund to implement the Aamodt litigation settlement. This provision affects outlays only.
 - h. Title XII, which establishes the Horseracing Integrity and Safety Authority, affects both revenues and direct spending by levying fees to fund operational expenses.
 - i. Of the total outlays estimated for the 2021-2031 period, a reduction of \$1 million is off-budget.
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