

S. 2226 would prescribe various authorities and policies that govern national defense and foreign affairs. Many of those changes would affect authorizations of appropriations. The bill also would affect direct spending and revenues, as shown in the table and discussed below. Those effects stem from expanding eligibility for benefits under the Radiation Exposure Compensation Act and the World Trade Center Health Program, permitting multiyear procurement, ratifying the water rights compact between the Fort Belknap Indian Community and the State of Montana, allowing generic and biosimilar pharmaceuticals to reach the market more quickly, and other changes.

### Estimated Changes in Direct Spending and Revenues of S. 2226, the National Defense Authorization Act for Fiscal Year 2024

As Passed by the Senate on July 27, 2023

<https://www.congress.gov/118/bills/s2226/BILLS-118s2226es.pdf>

	By Fiscal Year, Millions of Dollars										2024-2028	2024-2033
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
<b>Increases or Decreases (-) in Direct Spending</b>												
<b>Division A. Department of Defense Authorization</b>												
Section 506. Order Military Retirees to Active Duty <sup>a</sup>												
Estimated Budget Authority	-2	-2	-2	-2	-2	-1	-1	-1	-1	-1	-10	-15
Estimated Outlays	-2	-2	-2	-2	-2	-1	-1	-1	-1	-1	-10	-15
Section 714. Medical Malpractice <sup>b</sup>												
Estimated Budget Authority	10	10	10	10	10	10	10	10	10	10	50	100
Estimated Outlays	10	10	10	10	10	10	10	10	10	10	50	100
Section 801. Multiyear Procurement <sup>c</sup>												
Estimated Budget Authority	750	750	750	750	750	750	750	750	750	750	3,750	7,500
Estimated Outlays	61	296	535	655	707	728	735	737	737	737	2,254	5,928
Section 1084. Mammograms for Veterans <sup>d</sup>												
Estimated Budget Authority	3	0	0	0	0	0	0	0	0	0	3	3
Estimated Outlays	3	0	0	0	0	0	0	0	0	0	3	3
Section 1087(a)-(c). World Trade Center Health Program <sup>e</sup>												
Estimated Budget Authority	676	0	0	0	0	0	0	0	0	0	676	676
Estimated Outlays	68	68	68	68	69	69	69	69	64	64	341	676

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)

(Continued)

**Estimated Changes in Direct Spending and Revenues of S. 2226, the National Defense Authorization Act for Fiscal Year 2024**

As Passed by the Senate on July 27, 2023

<https://www.congress.gov/118/bills/s2226/BILLS-118s2226es.pdf>

	By Fiscal Year, Millions of Dollars										2024-2028	2024-2033
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
<b>Section 1087(d). FDA Approval of Generic and Biosimilar Drugs<sup>e</sup></b>												
Estimated Budget Authority	-14	-36	-48	-52	-57	-54	-60	-61	-64	-70	-207	-516
Estimated Outlays	-14	-36	-48	-52	-57	-54	-60	-61	-64	-70	-207	-516
On-Budget Outlays	-14	-36	-47	-52	-57	-54	-60	-61	-63	-70	-206	-514
Off-Budget Outlays	*	*	-1	*	*	*	*	*	-1	*	-1	-2
<b>Section 1090G. Semiconductor Program<sup>f</sup></b>												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	58	43	24	14	10	5	5	-58	-43	-24	149	34
<b>Sections 1099AA-1099JJ. Radiation Exposure Compensation Act<sup>g</sup></b>												
Estimated Budget Authority	3,900	8,900	19,600	21,500	19,900	17,900	15,600	12,700	13,300	13,800	73,800	147,100
Estimated Outlays	3,900	8,900	19,600	21,500	19,900	17,900	15,600	12,700	13,300	13,800	73,800	147,100
<b>Sections 1099AAA-1099BBB. Crypto Asset Regulations<sup>h</sup></b>												
Estimated Budget Authority	1	*	*	*	*	1	*	*	*	*	1	2
Estimated Outlays	1	*	*	*	*	1	*	*	*	*	1	2
<b>Section 1321. Limitation on Construction and Repair Projects<sup>i</sup></b>												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	2	2	1	0	0	0	0	0	0	0	5	5
<b>Section 1512. Critical Materials Feasibility Study<sup>j</sup></b>												
Estimated Budget Authority	6	0	0	0	0	0	0	0	0	0	6	6
Estimated Outlays	2	2	2	0	0	0	0	0	0	0	6	6
<b>Section 1513. National Defense Stockpile Disposal<sup>k</sup></b>												
Estimated Budget Authority	-6	-6	-6	0	0	0	0	0	0	0	-18	-18
Estimated Outlays	-6	-6	-6	0	0	0	0	0	0	0	-18	-18

(Continued)

**Estimated Changes in Direct Spending and Revenues of S. 2226, the National Defense Authorization Act for Fiscal Year 2024**  
As Passed by the Senate on July 27, 2023

<https://www.congress.gov/118/bills/s2226/BILLS-118s2226es.pdf>

	By Fiscal Year, Millions of Dollars										2024-2028	2024-2033
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
<b>Section 1523. Armed Forces Retirement Home Trust Fund<sup>l</sup></b>												
Estimated Budget Authority	6	6	6	6	6	6	6	6	6	6	30	60
Estimated Outlays	1	1	1	1	1	1	1	1	1	1	5	10
<b>Subtotal, Division A</b>												
Estimated Budget Authority	5,330	9,622	20,310	22,212	20,607	18,612	16,305	13,404	14,001	14,495	78,081	154,898
Estimated Outlays	4,084	9,278	20,185	22,194	20,638	18,659	16,359	13,397	14,004	14,517	76,379	153,315
<i>On-Budget Outlays</i>	<i>4,084</i>	<i>9,278</i>	<i>20,186</i>	<i>22,194</i>	<i>20,638</i>	<i>18,659</i>	<i>16,359</i>	<i>13,397</i>	<i>14,005</i>	<i>14,517</i>	<i>76,380</i>	<i>153,317</i>
<i>Off-Budget Outlays</i>	<i>*</i>	<i>*</i>	<i>-1</i>	<i>*</i>	<i>*</i>	<i>*</i>	<i>*</i>	<i>*</i>	<i>-1</i>	<i>*</i>	<i>-1</i>	<i>-2</i>
<b>Division F. Department of State Authorization Act</b>												
<b>Section 6211. Foreign Service Retirement Annuities<sup>m</sup></b>												
Estimated Budget Authority	1	1	1	1	1	1	1	1	1	1	5	10
Estimated Outlays	1	1	1	1	1	1	1	1	1	1	5	10
<b>Division K. Fort Belknap Indian Community Water Rights Settlement Act<sup>n</sup></b>												
Estimated Budget Authority	445	5	4	3	3	4	4	4	4	4	460	480
Estimated Outlays	8	13	19	19	19	17	15	13	13	13	78	149
<b>Division M. Intelligence Authorization Act</b>												
<b>Section 901. Compensation for Qualifying Injuries to the Brain<sup>o</sup></b>												
Estimated Budget Authority	15	0	0	0	0	0	0	0	0	0	15	15
Estimated Outlays	5	5	5	0	0	0	0	0	0	0	15	15
<b>Total Changes in Direct Spending</b>												
<b>Estimated Budget Authority</b>	<b>5,791</b>	<b>9,628</b>	<b>20,315</b>	<b>22,216</b>	<b>20,611</b>	<b>18,617</b>	<b>16,310</b>	<b>13,409</b>	<b>14,006</b>	<b>14,500</b>	<b>78,561</b>	<b>155,403</b>
<b>Estimated Outlays</b>	<b>4,098</b>	<b>9,297</b>	<b>20,210</b>	<b>22,214</b>	<b>20,658</b>	<b>18,677</b>	<b>16,375</b>	<b>13,411</b>	<b>14,018</b>	<b>14,531</b>	<b>76,477</b>	<b>153,489</b>
<i>On-Budget Outlays</i>	<i>4,098</i>	<i>9,297</i>	<i>20,211</i>	<i>22,214</i>	<i>20,658</i>	<i>18,677</i>	<i>16,375</i>	<i>13,411</i>	<i>14,019</i>	<i>14,531</i>	<i>76,478</i>	<i>153,491</i>
<i>Off-Budget Outlays</i>	<i>*</i>	<i>*</i>	<i>-1</i>	<i>*</i>	<i>*</i>	<i>*</i>	<i>*</i>	<i>*</i>	<i>-1</i>	<i>*</i>	<i>-1</i>	<i>-2</i>

(Continued)

**Estimated Changes in Direct Spending and Revenues of S. 2226, the National Defense Authorization Act for Fiscal Year 2024**

As Passed by the Senate on July 27, 2023

<https://www.congress.gov/118/bills/s2226/BILLS-118s2226es.pdf>

	By Fiscal Year, Millions of Dollars										2024-2028	2024-2033
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
<b>Increases or Decreases (-) in Revenues</b>												
<b>Division A. Department of Defense Authorizations</b>												
Section 1087(d). FDA Approval of Generic and Biosimilar Drugs <sup>e</sup>												
<i>On-Budget Revenues</i>	1	11	17	17	18	19	19	18	19	21	64	160
<i>Off-Budget Revenues</i>	*	3	5	4	5	5	5	4	5	6	17	42
Sections 1099AAA-1099BBB. Crypto Asset Regulations <sup>h</sup>												
	*	*	*	*	-1	*	*	*	*	-1	-1	-2
<b>Total Changes in Revenues</b>	<b>1</b>	<b>11</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>19</b>	<b>19</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>63</b>	<b>158</b>
<i>On-Budget Revenues</i>	1	8	12	13	12	14	14	14	14	14	46	116
<i>Off-Budget Revenues</i>	*	3	5	4	5	5	5	4	5	6	17	42
<b>Net Increase or Decrease (-) in the Deficit From Changes in Direct Spending and Revenues</b>												
<b>Effect on the Deficit</b>	<b>4,097</b>	<b>9,286</b>	<b>20,193</b>	<b>22,197</b>	<b>20,641</b>	<b>18,658</b>	<b>16,356</b>	<b>13,393</b>	<b>13,999</b>	<b>14,511</b>	<b>76,414</b>	<b>153,331</b>
<i>On-Budget Deficit</i>	4,097	9,289	20,199	22,201	20,646	18,663	16,361	13,397	14,005	14,517	76,432	153,375
<i>Off-Budget Deficit</i>	*	-3	-6	-4	-5	-5	-5	-4	-6	-6	-18	-44

Components may not sum to totals because of rounding; FDA = Food and Drug Administration; \* = between -\$500,000 and \$500,000.

- a. Section 506 would permanently extend authority allowing the military services to order military retirees to return to active duty. When activated, those retirees forgo retired pay (which is paid from mandatory appropriations) and instead receive active duty pay (which is paid from discretionary appropriations). After retirees leave active duty their annuities are increased as a result of the additional service.
- b. Section 714 would modify the appeals process for members of the uniformed services who file claims for medical malpractice against the federal government, allowing appeals to be considered by an entity outside of the Defense Health Agency. The section also would eliminate any offsets used to reduce the amount of noneconomic damages that could be awarded for those claims. CBO treats those awards as direct spending because some of the amounts come from the Department of the Treasury's Judgment Fund, which has a permanent indefinite appropriation.
- c. Section 801 would raise the threshold at which multiyear contracts require additional authorization in legislation from \$500 million to \$1 billion. Multiyear procurement is a special contracting method that permits the government to enter into contracts covering acquisitions for up to five years, even though the total funds required for all years are not appropriated at the time the contracts are awarded. The authority

to enter into contracts in advance of appropriations is classified as direct spending. CBO estimates that under the expanded authority the Department of Defense would enter into one contract per year with an average cost of \$750 million.

- d. Section 1084 would authorize appropriations to increase the availability of mammograms from the Department of Veterans Affairs (VA). CBO expects that some of the costs for those mammograms would be paid from the Toxic Exposures Fund, which is a mandatory appropriation the VA uses to pay for health care and other programs that benefit veterans who were exposed to environmental hazards.
- e. Section 1087 would appropriate \$676 million for the World Trade Center Health Program, a mandatory account, and would expand eligibility up to 500 additional enrollees. Section 1087 also would allow the Food and Drug Administration (FDA) to more quickly deny citizen petitions meant to delay FDA approval of generic or biosimilar drugs, which would allow generic and biosimilar drugs to enter the market faster and would reduce costs for federal health programs. Some of the savings would accrue to health care programs for active Postal Service employees, which are off-budget. The provision also would increase revenues, including Social Security taxes that are classified as off-budget, by reducing costs for private health plans, which are partially subsidized through the tax code.
- f. Section 1090G would exclude certain semiconductor projects funded by a direct appropriation in the CHIPS and Science Act from the requirements of the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA). Based on information from the Department of Commerce and research about the extent to which NEPA and NHPA affect the timeline for implementing federally funded projects, CBO estimates that enacting section 1090G would speed up certain semiconductor projects.
- g. Sections 1099AA through 1099JJ would extend the Radiation Exposure Compensation Act (RECA), expand eligibility for benefits, and increase the benefits available under RECA and the Energy Employees Occupational Illness Compensation Program Act. The cost of benefits authorized in those acts are paid from mandatory appropriations. Section 1099AA would create a new benefit for people affected by radioactive waste in St. Louis, Missouri; CBO estimates that section would cost \$3.7 billion over the 2024–2033 period. Sections 1099BB through 1099JJ would expand and enhance benefits for people who lived downwind from or were on-site participants in nuclear weapons testing or were involved in uranium mining; CBO estimates those sections would cost \$143.4 billion over the 2024–2033 period.
- h. Sections 1099AAA and 1099BBB would require bank regulators to establish a new process to examine and review certain digital assets of financial institutions. That requirement would increase direct spending because operating costs for some regulatory agencies are funded outside the appropriations process. In addition, costs incurred by the Federal Reserve would reduce remittances to the Treasury, which are recorded in the budget as revenues.
- i. Sec 1321 would authorize the Secretary of Defense to waive the \$20 million aggregate annual cap for construction and repair projects funded by the Counter-Islamic State of Iraq and Syria Train and Equip Fund appropriation. CBO expects that some of the funds that are available in that account will not be spent under current law. Waiving the cap would increase outlays for projects funded from that account. Changes in outlays from appropriations available under current law are classified as direct spending.
- j. Section 1512 would require the National Defense Stockpile to study the feasibility of mining and developing critical materials. The costs of those activities would be paid from the National Defense Stockpile Transaction Fund, a mandatory account.
- k. Section 1513 would authorize the National Defense Stockpile to sell critical materials. Receipts from such sales revert to the National Defense Stockpile Transaction Fund and would be recorded as reductions in direct spending.

- I. Section 1523 would appropriate lease proceeds that are deposited in the trust fund for the Armed Forces Retirement Home for the purpose of administering leases of its facilities. Under current law, all amounts in that fund are subject to appropriation. CBO estimates that the cost to administer the leases is significantly less than the amount of the proceeds; thus, only some of those appropriated amounts would be spent for that purpose.
- m. Section 6211 of division F would allow retirees of the Foreign Service to continue to receive their full annuities when they are reemployed by the federal government. Those annuities are paid from the Foreign Service Retirement and Disability Fund, a mandatory account.
- n. Division K would ratify the water rights compact between the Fort Belknap Indian Community and the State of Montana. The division also would appropriate an estimated \$480 million over the 2024–2033 period to implement the Fort Belknap Indian Community Water Right Settlement Act of 2023.
- o. Section 901 of Division M would modify the Central Intelligence Agency’s authority to pay compensation for qualifying brain injuries under the HAVANA Act of 2021. Under current law, payments under that act are contingent on appropriations provided in advance for a specific fiscal year. If the amount appropriated is insufficient to cover all approved claims, payments are made on a first come, first serve, or pro-rata basis until available amounts are exhausted. By eliminating those limitations, section 901 would, in CBO’s assessment, make injured employees or their family members entitled to those payments. As a result, CBO classifies those payments as direct spending.

CBO estimates that enacting S. 2226 would increase net direct spending by more than \$2.5 billion in each of the four consecutive 10-year periods beginning in 2034.

CBO estimates that enacting S. 2226 would increase on-budget deficits by more than \$5 billion in each of the four consecutive 10-year periods beginning in 2034.

In particular, the sections on multiyear procurement (section 801) and the changes to the Radiation Exposure Compensation Act (sections 1099AA-1099JJ) would have significant long-term costs.

Other provisions of S. 2226 would have insignificant effects on direct spending and revenues. In addition to effects on direct spending and revenues as noted in the table, the bill also would affect spending subject to appropriation. CBO has not estimated those effects.

S. 2226 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates the cost of the mandates on intergovernmental entities would not exceed the annual threshold established in UMRA (\$99 million in 2023); however, CBO cannot determine whether the costs on private-sector entities would exceed the annual threshold established in UMRA (\$198 million in 2023). Those thresholds are adjusted annually for inflation.

The bill would require public and private employers to meet new antidiscrimination and employment protections for activated “cybersecurity reservists,” thus imposing a small cost on affected entities. It also would expand the protections of the Servicemembers Civil Relief Act to include members of the Space Force.

The bill would extend an existing private-sector mandate by permanently extending a prohibition in law preventing private entities from manufacturing or selling weapons that cannot be detected by security screening equipment. The cost of the mandate would be the unrealized profits to manufacturers. CBO cannot determine if the costs would exceed the threshold because of insufficient data.

The bill would impose several new private-sector mandates with small costs. It would require lobbyists to comply with new requirements; require manufacturers to disclose whether some internet-connected devices include microphones or cameras; restrict financial and asset transactions involving entities subject to sanctions; expand the Administration’s power to exercise eminent domain in some circumstances; and require new fees if the Security and Exchange Commission increases annual collections as a result of the bill.



Phillip L. Swagel  
Director, Congressional Budget Office