

**H.R. 8914, University Accountability Act**

As ordered reported by the House Committee on Ways and Means on July 9, 2024

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	0	0
Revenues	0	*	*
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	0	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	Yes
		<b>Mandate Effects</b>	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between -\$500,000 and \$500,000.			

H.R. 8914 would impose a penalty on universities that violate title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color, or national origin in programs and activities that receive federal funding. For tax-exempt universities required to file a federal income tax Form 990, the penalty would be the greater of \$100,000 or 5 percent of the sum of compensation paid to private foundation managers and certain highly compensated employees. For tax-exempt universities not required to file a Form 990, including most public universities, the penalty would be \$100,000. The bill also would require the Secretary of the Treasury to review the tax-exempt status of any university with multiple violations.

The Congressional Budget Act of 1974, as amended, stipulates that revenue estimates provided by the staff of the Joint Committee on Taxation (JCT) will be the official estimates for all tax legislation considered by the Congress. As such, CBO incorporates those estimates into its cost estimates of the effects of legislation. The estimates for the revenue provisions of H.R. 8914 were provided by JCT.<sup>1</sup>

1. See Joint Committee on Taxation, *Description of H.R. 8914, the “University Accountability Act,”* JCX-27-24 (July 5, 2024), [www.jct.gov/publications/2024/jcx-27-24](http://www.jct.gov/publications/2024/jcx-27-24).



For this estimate, CBO and JCT assume that the bill will be enacted in fiscal year 2024. JCT estimates that enacting the bill would increase revenues by less than \$500,000 over the 2024-2034 period. That increase would stem from collections of penalties.

CBO estimates that implementing the bill would increase federal costs by less than \$500,000 over the 2024-2029 period for the Internal Revenue Service to make those changes; any related spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Kathleen Burke. The estimate was reviewed by John McClelland, Director of Tax Analysis.

A handwritten signature in black ink, appearing to read "Phillip L. Swagel". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Phillip L. Swagel  
Director, Congressional Budget Office