

**OFFICE OF MANAGEMENT AND BUDGET**

**Notice; 2021 Statutory Pay-As-You-Go Act Annual Report**

AGENCY: Office of Management and Budget (OMB).

ACTION: Notice.

SUMMARY: This report is being published as required by the Statutory Pay-As-You-Go (PAYGO) Act of 2010. The Act requires that OMB issue an annual report and a sequestration order, if necessary.

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SUPPLEMENTARY INFORMATION: This report can be found at <https://www.whitehouse.gov/omb/paygo/>.

Authority: 2 U.S.C. 934

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This Report is being published pursuant to section 5 of the Statutory Pay-As-You-Go (PAYGO) Act of 2010, Public Law 111-139, 124 Stat. 8, 2 U.S.C. 934, which requires that OMB issue an annual PAYGO report, including a sequestration order if necessary, no later than 14 working days after the end of a congressional session.

This Report describes the budgetary effects of all PAYGO legislation enacted during the first session of the 117<sup>th</sup> Congress and presents the 5-year and 10-year PAYGO scorecards maintained by OMB.<sup>1</sup> Because neither the 5-year nor 10-year scorecard shows a debit for the budget year, which for purposes of this Report is fiscal year 2022,<sup>2</sup> a sequestration order under subsection 5(b) of the PAYGO Act, 2 U.S.C 934(b) is not required.

The budget year balance on each of the PAYGO scorecards is zero because the Protecting Medicare and American Farmers from Sequester Cuts Act (P.L. 117-71) shifted the debits on both scorecards from fiscal year 2022 to fiscal year 2023. The change directed by P.L. 117-71 is discussed in more detail in section IV of this report.

During the first session of the 117<sup>th</sup> Congress, two laws with PAYGO effects were enacted with emergency requirements under section 4(g) of the PAYGO Act, 2 U.S.C. 933(g). Four laws had estimated budgetary effects on direct spending and/or revenues that were excluded from the calculations of the PAYGO scorecards due to provisions excluding all or part of the law from section 4(d) of the PAYGO Act, 2 U.S.C. 933(d).

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<sup>1</sup> This report encompasses laws enacted between January 3, 2021 at noon and January 3, 2022 at 11:56am (P.L. 116-285 through P.L. 117-81).

<sup>2</sup> References to years on the PAYGO scorecards are to fiscal years.

## **I. PAYGO Legislation with Budgetary Effects**

PAYGO legislation is authorizing legislation that affects direct spending or revenues, and appropriations legislation that affects direct spending in the years after the budget year or affects revenues in any year.<sup>3</sup> For a more complete description of the Statutory PAYGO Act, see Chapter 6, "Budget Concepts," of the *Analytical Perspectives* volume of the 2022 President's Budget, found on the website of the U.S. Government Printing Office (<https://www.govinfo.gov/app/collection/budget/2022/BUDGET-2022-PER>).

The PAYGO Act's requirement of deficit neutrality is based on two scorecards that tally the cumulative budgetary effects of PAYGO legislation as averaged over rolling 5- and 10- year periods starting with the budget year. The 5-year and 10-year PAYGO scorecards for each congressional session begin with the balances of costs or savings carried over from previous sessions and then tally the costs or savings of PAYGO laws enacted in the most recent session.

The 5-year and 10-year PAYGO scorecards for the first session of the 117<sup>th</sup> Congress began with balances of zero in each year because Section 1401(d) of P.L. 116-260 set each year of the scorecards to zero at the end of the second session of the 116<sup>th</sup> Congress. Laws enacted during the first session of the 117<sup>th</sup> Congress created balances on the 5- and 10-year

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<sup>3</sup> Provisions in appropriations acts that affect direct spending in the years after the budget year (also known as "outyears") or affect revenues in any year are considered to be budgetary effects for the purposes of the PAYGO scorecards except if the provisions produce outlay changes that net to zero over the current year, budget year, and the four subsequent years. As specified in section 3 of the PAYGO Act, off-budget effects are not counted as budgetary effects. Off-budget effects refer to effects on the Social Security trust funds (Old-Age and Survivors Insurance and Disability Insurance) and the Postal Service.

scorecards of \$370,633 million and \$187,020 million in each year, respectively. P.L. 117-71 shifted the fiscal year 2022 debits on both scorecards to fiscal year 2023. Therefore, the 2022 balance on both the 5- and 10-year scorecards is zero and the 2023 balances on the 5- and 10-year scorecards are \$741,265 million and \$374,039 million, respectively. The debit for the remaining years on the 5-year scorecard, 2024-2026, is \$370,633 million per year and the debit for the remaining years on the 10-year scorecard, 2024-2031, is \$187,020 million per year.

In the first session of the 117<sup>th</sup> Congress, 35 laws were enacted that were determined to constitute PAYGO legislation. Of the 35 enacted PAYGO laws, 12 laws were estimated to have PAYGO budgetary effects (costs or savings) in excess of \$500,000 over one or both of the 5-year or 10-year PAYGO windows. These were:

- P.L. 116-286, 1921 Silver Dollar Coin Anniversary Act;
- P.L. 116-313, To deem an urban Indian organization and employees thereof to be a part of the Public Health Service for the purposes of certain claims for personal injury, and for other purposes.;
- P.L. 116-315, Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020;
- P.L. 116-325, Bankruptcy Administration Improvement Act of 2020;
- P.L. 117-2, American Rescue Plan Act of 2021;

- P.L. 117-7, To prevent across-the-board direct spending cuts, and for other purposes.;
- P.L. 117-27, VOCA Fix to Sustain the Crime Victims Fund Act of 2021;
- P.L. 117-43, Extending Government Funding and Delivering Emergency Assistance Act;
- P.L. 117-58, Infrastructure Investment and Jobs Act;
- P.L. 117-61, Protecting America's First Responders Act of 2021;
- P.L. 117-71, Protecting Medicare and American Farmers from Sequester Cuts Act; and
- P.L. 117-76, Responsible Education Mitigating Options and Technical Extensions Act.

In addition to the laws identified above, 23 laws enacted in this session were estimated to have negligible budgetary effects on the PAYGO scorecards—costs or savings of less than \$500,000 over both the 5-year and 10-year PAYGO windows—including the two laws enacted with emergency designations discussed below.

## **II. Budgetary Effects Excluded from the Scorecard Balances**

### **A. Legislation Designated as Emergency Requirements**

As shown on the scorecards, two laws were enacted in the first session of the 117<sup>th</sup> Congress with an emergency designation under the Statutory PAYGO Act, and that had PAYGO effects:

- P.L. 117-31, Emergency Security Supplemental Appropriations Act, 2021; and

- P.L. 117-39, Emergency Repatriation Assistance for Returning Americans Act.

The effects of the provisions in these laws that are designated as emergency requirements appear on the scorecard, but are subtracted before computing the scorecard totals.

#### **B. Statutory Provisions Excluding Legislation from the Scorecards**

Four laws enacted in the first session of the 117<sup>th</sup> Congress had estimated budgetary effects on direct spending and revenues that were excluded from the calculations for the PAYGO scorecards due to provisions in law excluding all or part of the law from section 4(d) of the PAYGO Act.

One law was excluded entirely from the scorecards:

- P.L. 117-6, PPP Extension Act of 2021.

In addition, budgetary effects in three laws were excluded by provisions excluding certain portions of those laws from the scorecards:

- P.L. 117-43, Extending Government Funding and Delivering Emergency Assistance Act;
- P.L. 117-58, Infrastructure Investment and Jobs Act; and
- P.L. 117-70, Further Extending Government Funding Act.<sup>4</sup>

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<sup>4</sup> Section 2201 of P.L. 117-70 excluded the budgetary effects of Division C from the PAYGO scorecards. There were no PAYGO budgetary effects for Divisions A and B of P.L. 117-70, so the scorecards do not include an entry for P.L. 117-70.

### III. PAYGO Scorecards

#### STATUTORY PAY-AS-YOU-GO SCORECARDS

(In millions of dollars; negative amounts portray decreases in deficits)

	2022	2023	2024	2025	2026
First Session of the 117 <sup>th</sup> Congress	370,633	370,633	370,633	370,633	370,633
Balances from Previous Sessions	0	0	0	0	0
Change in balances pursuant to Sec. 7 of P.L. 117-71	-370,633	370,633	0	0	0
5-year PAYGO Scorecard	0	741,265	370,633	370,633	370,633

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
First Session of the 117 <sup>th</sup> Congress	187,020	187,020	187,020	187,020	187,020	187,020	187,020	187,020	187,020	187,020
Balances from Previous Sessions	0	0	0	0	0	0	0	0	0	0
Change in balances pursuant to Sec. 7 of P.L. 117-71	-187,020	187,020	0	0	0	0	0	0	0	0
10-year PAYGO Scorecard	0	374,039	187,020	187,020	187,020	187,020	187,020	187,020	187,020	187,020

#### **IV. Legislative Revisions to the PAYGO Scorecards**

Section 7 of P.L. 117-71, the Protecting Medicare and American Farmers from Sequester Cuts Act, states, “For the purposes of the annual report issued pursuant to section 5 of the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 934) after adjournment of the first session of the 117th Congress, and for determining whether a sequestration order is necessary under such section, the debit for the budget year on the 5-year scorecard, if any, and the 10-year scorecard, if any, shall be deducted from such scorecard in 2022 and added to such scorecard in 2023.” Accordingly, both the 5- and 10-year scorecards deduct the debit from 2022 and add that debit to 2023.

#### **V. Sequestration Order**

As shown on the scorecards, the budgetary effects of PAYGO legislation enacted in the first session of the 117<sup>th</sup> Congress, combined with section 7 of P.L. 117-71, resulted in no costs on either the 5-year or the 10-year scorecard in the budget year, which is 2022 for the purposes of this Report. Because the costs for the budget year, as shown on the scorecards, were set to zero for the budget year, there is no “debit” on either scorecard under section 3 of the PAYGO Act, 2 U.S.C. 932, and a sequestration order is not required.<sup>5</sup>

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<sup>5</sup> Sequestration reductions pursuant to the Balanced Budget and Deficit Control Act (BBEDCA) Section 251A for 2022 were calculated and ordered in a separate report and are not affected by this determination. See: [https://www.whitehouse.gov/wp-content/uploads/2021/05/BBEDCA\\_251A\\_Sequestration\\_Report\\_FY2022.pdf](https://www.whitehouse.gov/wp-content/uploads/2021/05/BBEDCA_251A_Sequestration_Report_FY2022.pdf)



(in millions of dollars; positive amounts portray increases in deficits and negative amounts portray decreases in deficits)

		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2021-26	2021-31
<b>PART I:</b>														
<i>Total budgetary effects of PAYGO legislation for the first session of the 117th Congress</i>														
Net impact on the on-budget deficit.....		1,082,672	472,679	128,807	80,731	49,355	39,582	17,778	15,944	13,052	18,140	-47,203	1,853,824	1,871,533
Less:														
Emergency requirements.....		0	38	132	174	166	152	147	140	130	128	130	662	1,337
Net PAYGO Impact.....		1,082,672	472,641	128,675	80,557	49,189	39,430	17,631	15,804	12,922	18,012	-47,333	1,853,163	1,870,196
<b>Five-year PAYGO scorecard:</b>														
Balances from previous sessions of Congress.....			0	0	0	0	0							
Budgetary effects for current Congressional session.....			370,633	370,633	370,633	370,633	370,633							
Change in balances pursuant to Sec. 7 of P.L. 117-71 <sup>1</sup> .....			-370,633	370,633	0	0	0							
<b>Total, five-year PAYGO scorecard.....</b>			<b>0</b>	<b>741,265</b>	<b>370,633</b>	<b>370,633</b>	<b>370,633</b>							
<b>Ten-year PAYGO scorecard:</b>														
Balances from previous sessions of Congress.....			0	0	0	0	0	0	0	0	0	0		
Budgetary effects for current Congressional session.....			187,020	187,020	187,020	187,020	187,020	187,020	187,020	187,020	187,020	187,020		
Change in balances pursuant to Sec. 7 of P.L. 117-71 <sup>1</sup> .....			-187,020	187,020	0	0	0	0	0	0	0	0		
<b>Total, ten-year PAYGO scorecard.....</b>			<b>0</b>	<b>374,039</b>	<b>187,020</b>	<b>187,020</b>	<b>187,020</b>	<b>187,020</b>	<b>187,020</b>	<b>187,020</b>	<b>187,020</b>	<b>187,020</b>		
<b>Potential PAYGO Sequestration, end of session.....</b>			<b>0</b>											
<b>PART II:</b>														
<i>PAYGO legislation enacted in the first session of the 117th Congress</i>														
1	P.L. 116-286	1921 Silver Dollar Coin Anniversary Act												
	Enacted: 01/05/2021	Net PAYGO impact.....	-4	-2	0	0	0	0	0	0	0	0	-6	-6
	H.R. 6192													
	Estimate: Congress	Five-year PAYGO scorecard.....		-1	-1	-1	-1	-1						
		Ten-year PAYGO scorecard.....		-1	-1	-1	-1	-1	-1	-1	-1	-1		
2	P.L. 116-287	Combating Pandemic Scams Act of 2020												
	Enacted: 01/05/2021	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0
	H.R. 6435													
	Estimate: Congress	Five-year PAYGO scorecard.....		0	0	0	0	0						
		Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0		
3	P.L. 116-309	Strengthening the Opposition to Female Genital Mutilation Act of 2020												
	Enacted: 01/05/2021	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0
	H.R. 6100													
	Estimate: Congress	Five-year PAYGO scorecard.....		0	0	0	0	0						
		Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0		
4	P.L. 116-313	To deem an urban Indian organization and employees thereof to be a part of the Public Health Service for the purposes of certain claims for personal injury, and for other purposes.												
	Enacted: 01/05/2021	Net PAYGO impact.....	0	0	1	2	3	3	3	3	3	0	9	21
	H.R. 6535													
	Estimate: Congress	Five-year PAYGO scorecard.....		2	2	2	2	2						
		Ten-year PAYGO scorecard.....		2	2	2	2	2	2	2	2	2		
5	P.L. 116-315	Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020												
	Enacted: 01/05/2021	Net PAYGO impact.....	191	229	280	300	306	343	246	247	252	-632	280	2,041
	H.R. 7105													
	Estimate: OMB	Five-year PAYGO scorecard.....		330	330	330	330	3						

(in millions of dollars; positive amounts portray increases in deficits and negative amounts portray decreases in deficits)

		<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2021-26</u>	<u>2021-31</u>
8	P.L. 116-318	Peace Corps Commemorative Work Extension Act												
	Enacted: 01/05/2021	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0
	H.R. 7460													
	Estimate: OMB	Five-year PAYGO scorecard.....		0	0	0	0	0						
		Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0		
7	P.L. 116-325	Bankruptcy Administration Improvement Act of 2020												
	Enacted: 01/12/2021	Net PAYGO impact.....	-30	-17	-17	-6	-10	-6	56	0	0	0	-88	-32
	S. 4996													
	Estimate: OMB	Five-year PAYGO scorecard.....		-18	-18	-18	-18	-18						
		Ten-year PAYGO scorecard.....		-3	-3	-3	-3	-3	-3	-3	-3	-3		
8	P.L. 116-327	Competitive Health Insurance Reform Act of 2020												
	Enacted: 01/13/2021	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0
	H.R. 1418													
	Estimate: Congress	Five-year PAYGO scorecard.....		0	0	0	0	0						
		Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0		
9	P.L. 116-330	Circulating Collectible Coin Redesign Act of 2020												
	Enacted: 01/13/2021	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0
	H.R. 1923													
	Estimate: Congress	Five-year PAYGO scorecard.....		0	0	0	0	0						
		Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0		
0	P.L. 116-340	Direct Enhancement of Snapper Conservation and the Economy through Novel Devices Act of 2020												
	Enacted: 01/13/2021	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0
	H.R. 5126													
	Estimate: Congress	Five-year PAYGO scorecard.....		0	0	0	0	0						
		Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0		
1	P.L. 117-2	American Rescue Plan Act of 2021												
	Enacted: 03/11/2021	Net PAYGO impact.....	1,074,340	479,802	144,060	103,597	74,879	48,428	31,484	22,096	19,721	14,447	20,645	1,925,106
	H.R. 1319													2,033,499
	Estimate: OMB	Five-year PAYGO scorecard.....		385,021	385,021	385,021	385,021	385,021						
		Ten-year PAYGO scorecard.....		203,350	203,350	203,350	203,350	203,350	203,350	203,350	203,350	203,350	203,350	
2	P.L. 117-5	COVID-19 Bankruptcy Relief Extension Act of 2021												
	Enacted: 03/27/2021	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0
	H.R. 1651													
	Estimate: Congress	Five-year PAYGO scorecard.....		0	0	0	0	0						
		Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0		
3	P.L. 117-7	To prevent across-the-board direct spending cuts, and for other purposes.												



(in millions of dollars; positive amounts portray increases in deficits and negative amounts portray decreases in deficits)

[illegible]

**STATUTORY ESTIMATES OF PAY-AS-YOU-GO LEGISLATION \***

(in millions of dollars; positive amounts portray increases in deficits and negative amounts portray decreases in deficits)

\* Uses congressional estimates referenced in enacted legislation or OMB estimates if there are no references to the congressional estimates.

		<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2021-26</u>	<u>2021-31</u>
31 P.L. 117-76	Responsible Education Mitigating Options and Technical Extensions Act													
Enacted: 12/21/2021	Net PAYGO impact.....	0	227	1	1	1	1	1	1	1	1	-236	231	-1
H.R. 5545														
Estimate: Congress	Five-year PAYGO scorecard.....		46	46	46	46	46							
	Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0	0		
32 P.L. 117-78	To ensure that goods made with forced labor in the Xinjiang Uyghur Autonomous Region of the People's Republic of China do not enter the United States market, and for other purposes.													
Enacted: 12/23/2021	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0	0
H.R. 6256														
Estimate: OMB	Five-year PAYGO scorecard.....		0	0	0	0	0							
	Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0	0		
33 P.L. 117-79	Accelerating Access to Critical Therapies for ALS Act													
Enacted: 12/23/2021	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0	0
H.R. 3537														
Estimate: OMB	Five-year PAYGO scorecard.....		0	0	0	0	0							
	Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0	0		
34 P.L. 117-80	To authorize the National Medal of Honor Museum Foundation to establish a commemorative work in the District of Columbia and its environs, and for other purposes.													
Enacted: 12/27/2021	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0	0
H.R. 1664														
Estimate: Congress	Five-year PAYGO scorecard.....		0	0	0	0	0							
	Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0	0		
35 P.L. 117-81	National Defense Authorization Act for Fiscal Year 2022													
Enacted: 12/27/2021	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0	0
S. 1605														
Estimate: OMB	Five-year PAYGO scorecard.....		0	0	0	0	0							
	Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0	0		

Note: Components may not sum to totals due to rounding.

<sup>1</sup> Section 7 of P.L. 117-71, the Protecting Medicare and American Farmers from Sequester Cuts Act, states, “For the purposes of the annual report issued pursuant to section 5 of the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 934) after adjournment of the first session of the 117th Congress, and for determining whether a sequestration order is necessary under such section, the debit for the budget year on the 5-year scorecard, if any, and the 10-year scorecard, if any, shall be deducted from such scorecard in 2022 and added to such scorecard in 2023.” Accordingly, both the 5- and 10-year scorecards deduct the debit from 2022 and add that debit to 2023.

<sup>2</sup> Section 3201(a) of this bill excludes the budgetary effects of Division D from the PAYGO scorecards.

<sup>3</sup> Sec. 905(a) of this bill states, "The budgetary effects of this division [Division J] and amounts rescinded in section 90007 of division I that were previously designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 shall not be entered on either PAYGO scorecard maintained pursuant to section 4(d) of the Statutory Pay As-You-Go Act of 2010." As such, the budgetary effects of those provisions are not included in this score.