

**OFFICE OF MANAGEMENT AND BUDGET**

**Notice; 2023 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.

FOR FURTHER INFORMATION CONTACT: Erin O'Brien. 202-395-3106.

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 118<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 2024,<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 Consolidated Appropriations Act, 2023 (Public Law 117-328) shifted the debits on both scorecards from fiscal year 2024 to fiscal year 2025. The change directed by Public Law 117-328 is discussed in more detail in section IV of this report.

During the first session of the 118<sup>th</sup> Congress, no laws with PAYGO effects were enacted with emergency requirements under section 4(g) of the PAYGO Act, 2 U.S.C. 933(g), though as discussed later in this report, one law was enacted that rescinded funding that received an emergency designation when it was enacted. Two laws had estimated budgetary effects on

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<sup>1</sup> This report encompasses laws enacted between January 3, 2023 at noon and January 3, 2024 at 11:55 am (Public Law 117-329 through Public Law 118-34).

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

direct spending and/or revenues that were excluded from the calculations of the PAYGO scorecards due to provisions excluding part of the law from section 4(d) of the PAYGO Act, 2 U.S.C. 933(d).

### **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 4, "Budget Process," of the *Analytical Perspectives* volume of the 2024 President's Budget, found on the website of the U.S. Government Printing Office

(<https://www.govinfo.gov/app/collection/budget/2024/BUDGET-2024-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 PAYGO scorecard for the first session of the 118<sup>th</sup> Congress began with balances of \$443,138 million in

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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.

2024, \$1,256,908 million in 2025, \$443,138 million in 2026, and \$72,505 million in 2027. The 10-year PAYGO scorecard for the first session of the 118<sup>th</sup> Congress began with balances of \$242,729 million in 2024, \$672,477 million in 2025, \$242,729 million per year for 2026-2031, and \$55,709 million for 2032.

Laws enacted during the first session of the 118<sup>th</sup> Congress created balances on the 5- and 10-year scorecards of -\$1,188 million and -\$891 million in each year, respectively. Public Law 117-328 shifted the fiscal year 2024 debits on both scorecards to fiscal year 2025. Therefore, the 2024 balance on both the 5- and 10-year scorecards is zero. There are balances on the 5-year scorecard of \$1,697,668 million in 2025, \$441,949 million in 2026, \$71,317 million in 2027, and -\$1,188 million in 2028. There are balances on the 10-year scorecard of \$913,423 million in 2025, \$241,837 million in per year for 2026-2031, \$54,818 million in 2032, and -\$891 million in 2033.

In the first session of the 118<sup>th</sup> Congress, 16 laws were enacted that were determined to constitute PAYGO legislation. Of the 16 enacted PAYGO laws, 5 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:

- Public Law 117-333, Veterans Auto and Education Improvement Act of 2022;
- Public Law 118-5, Fiscal Responsibility Act of 2023;
- Public Law 118-19, An Act to amend title 38, United States Code, to extend and modify certain authorities and requirements relating to the Department of Veterans Affairs, and for other purposes;

- Public Law 118-27, 5G Spectrum Authority Licensing Enforcement Act; and
- Public Law 118-31, National Defense Authorization Act for Fiscal Year 2024.

In addition to the laws identified above, 11 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.

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

### **A. Emergency Designations**

No laws were enacted in the first session of the 118<sup>th</sup> Congress with an emergency designation under the Statutory PAYGO Act. However, scorekeeping guidelines adopted by the Office of Management and Budget, the Congressional Budget Office, and the Congressional budget committees preclude scoring savings for the subsequent rescission of funding that was designated as emergency spending when enacted. Although the provisions rescinding the emergency funding are reported on the PAYGO scorecards maintained by OMB, the savings associated with the rescissions are not included in the balances on the scorecards that are used to determine the need for a sequestration. One law was enacted during the first session of the 118<sup>th</sup> Congress that rescinded funding that was designated as emergency when it was enacted:

- Public Law 118-5, Fiscal Responsibility Act of 2023.

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

Two laws enacted in the first session of the 118<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 part of the law from section 4(d) of the PAYGO Act.

Budgetary effects in two laws were excluded from the scorecards:

- Public Law 118-15, Continuing Appropriations Act, 2024 and Other Extensions Act; and
- Public Law 118-22, Further Continuing Appropriations and Other Extensions Act, 2024.

**III. PAYGO Scorecards**

**STATUTORY PAY-AS-YOU-GO SCORECARDS**

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

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>					
First Session of the 118 <sup>th</sup> Congress	-1,188	-1,188	-1,188	-1,188	-1,188					
Balances from Previous Sessions	443,138	1,256,908	443,138	72,505	0					
Change in balances pursuant to Sec. 1001(d)(2) of Division O of P.L. 117-328	-441,949	441,949	0	0	0					
5-year PAYGO Scorecard	0	1,697,668	441,949	71,317	-1,188					
	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>
First Session of the 118 <sup>th</sup> Congress	-891	-891	-891	-891	-891	-891	-891	-891	-891	-891
Balances from Previous Sessions	242,729	672,477	242,729	242,729	242,729	242,729	242,729	242,729	55,709	0
Change in balances pursuant to Sec. 1001(d)(2) of Division O of P.L. 117-328	-241,837	241,837	0	0	0	0	0	0	0	0
10-year PAYGO Scorecard	0	913,423	241,837	241,837	241,837	241,837	241,837	241,837	54,818	-891

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

Section 1001(d)(2) of division O of Public Law 117-328, the Consolidated Omnibus Appropriations Act, 2023, 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 118<sup>th</sup> 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 scorecards in 2024 and added to such scorecards in 2025.” Accordingly, both the 5- and 10-year scorecards deduct the debit from 2024 and add that debit to 2025.

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

As shown on the scorecards, the budgetary effects of PAYGO legislation enacted in the first session of the 118<sup>th</sup> Congress, combined with section 1001(d)(2) of division O of Public Law 117-328, resulted in no costs on either the 5-year or the 10-year scorecard in the budget year, which is 2024 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>4</sup>

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<sup>4</sup> Sequestration reductions pursuant to the Balanced Budget and Deficit Control Act (BBEDCA) Section 251A for 2024 were calculated and ordered in a separate report and are not affected by this determination. See: [https://www.whitehouse.gov/wp-content/uploads/2023/03/BBEDCA\\_Sequestration\\_Report\\_and\\_Letter\\_3-13-2024.pdf](https://www.whitehouse.gov/wp-content/uploads/2023/03/BBEDCA_Sequestration_Report_and_Letter_3-13-2024.pdf)



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.

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2023-28	2023-33
<b>PART I:</b>													
<i>Total budgetary effects of PAYGO legislation for the first session of the 118th Congress</i>													
Net impact on the on-budget deficit.....	-7,301	-2,700	-2,994	-334	201	446	597	285	847	-2,609	-2,217	-12,682	-15,779
Less:													
Rescission of prior emergency funding.....	-3,551	-1,279	-638	-636	-318	-318	-127	0	0	0	0	-6,740	-6,867
Net PAYGO Impact.....	-3,750	-1,421	-2,356	303	519	764	724	285	847	-2,609	-2,217	-5,942	-8,912
<b>Five-year PAYGO scorecard:</b>													
Balances from previous sessions of Congress.....	443,138	1,256,908	443,138	72,505	0								
Budgetary effects for current Congressional session.....	-1,188	-1,188	-1,188	-1,188	-1,188	-1,188							
Subtotal, five-year PAYGO scorecard before change in balances.....	441,949	1,255,719	441,949	71,317	-1,188								
Change in balances pursuant to Sec. 1001(d)(2) of division O of P.L. 117-328 <sup>1</sup> .....	-441,949	441,949	0	0	0								
<b>Total, five-year PAYGO scorecard.....</b>	<b>0</b>	<b>1,697,668</b>	<b>441,949</b>	<b>71,317</b>	<b>-1,188</b>								
<b>Ten-year PAYGO scorecard:</b>													
Balances from previous sessions of Congress.....	242,729	672,477	242,729	242,729	242,729	242,729	242,729	242,729	242,729	55,709	0		
Budgetary effects for current Congressional session.....	-891	-891	-891	-891	-891	-891	-891	-891	-891	-891	-891		
Subtotal, ten-year PAYGO scorecard before change in balances.....	241,837	671,586	241,837	241,837	241,837	241,837	241,837	241,837	241,837	54,818	-891		
Change in balances pursuant to Sec. 1001(d)(2) of division O of P.L. 117-328 <sup>1</sup> .....	-241,837	241,837	0	0	0	0	0	0	0	0	0		
<b>Total, ten-year PAYGO scorecard.....</b>	<b>0</b>	<b>913,423</b>	<b>241,837</b>	<b>241,837</b>	<b>241,837</b>	<b>241,837</b>	<b>241,837</b>	<b>241,837</b>	<b>241,837</b>	<b>54,818</b>	<b>-891</b>		
<b>Potential PAYGO Sequestration, end of session.....</b>	<b>0</b>												

**PART II:**  
*PAYGO legislation enacted in the first session of the 118th Congress*

1 Private Law 117-3 Enacted: 01/05/2023 H.R. 680 Estimate: OMB	For the relief of Arpita Kurdekar, Girish Kurdekar, and Vandana Kurdekar. Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0
	Five-year PAYGO scorecard.....	0	0	0	0	0	0	0	0	0	0	0	0
	Ten-year PAYGO scorecard.....	0	0	0	0	0	0	0	0	0	0	0	0
2 P.L. 117-333 Enacted: 01/05/2023 H.R. 7939 Estimate: OMB	Veterans Auto and Education Improvement Act of 2022 Net PAYGO impact.....	3	4	4	5	5	5	-44	-42	-36	0	0	26
	Five-year PAYGO scorecard.....		5	5	5	5	5						
	Ten-year PAYGO scorecard.....		-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-96
3 P.L. 117-336 Enacted: 01/05/2023 S. 1294 Estimate: OMB	Protecting American Intellectual Property Act of 2022 Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0
	Five-year PAYGO scorecard.....	0	0	0	0	0	0	0	0	0	0	0	0
	Ten-year PAYGO scorecard.....	0	0	0	0	0	0	0	0	0	0	0	0
4 P.L. 117-361 Enacted: 01/05/2023 S. 5328 Estimate: OMB	To amend the Farm Security and Rural Investment Act of 2002 to extend terminal lakes assistance. Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0
	Five-year PAYGO scorecard.....	0	0	0	0	0	0	0	0	0	0	0	0
	Ten-year PAYGO scorecard.....	0	0	0	0	0	0	0	0	0	0	0	0

<sup>1</sup> Section 1001(d)(2) of division O of P.L. 117-328, the Consolidated Omnibus Appropriations Act, 2023, 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 118th 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 scorecards in 2024 and added to such scorecards in 2025."

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>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>2032</u>	<u>2033</u>	<u>2023-28</u>	<u>2023-33</u>
5 P.L. 118-5	Fiscal Responsibility Act of 2023 <sup>2</sup>													
Enacted: 06/03/2023	Net impact on the on-budget deficit.....	-7,304	-2,701	-1,493	-986	-435	-372	-165	15	559	-62	13	-13,291	-12,931
H.R. 3746	Less:													
Estimate: OMB	Rescission of prior emergency funding.....	<u>-3,551</u>	<u>-1,279</u>	<u>-638</u>	<u>-636</u>	<u>-318</u>	<u>-318</u>	<u>-127</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-6,740</u>	<u>-6,867</u>
	Net PAYGO impact.....	-3,753	-1,422	-855	-350	-117	-54	-38	15	559	-62	13	-6,551	-6,064
	Five-year PAYGO scorecard.....		-1,310	-1,310	-1,310	-1,310	-1,310							
	Ten-year PAYGO scorecard.....		-606	-606	-606	-606	-606	-606	-606	-606	-606	-606		
6 P.L. 118-6	Veterans' Compensation Cost-of-Living Adjustment Act of 2023													
Enacted: 06/14/2023	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0	0
S. 777	Five-year PAYGO scorecard.....		0	0	0	0	0							
Estimate: OMB	Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0	0		
7 P.L. 118-9	Providing Accountability Through Transparency Act of 2023													
Enacted: 07/25/2023	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0	0
S. 111	Five-year PAYGO scorecard.....		0	0	0	0	0							
Estimate: OMB	Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0	0		
8 P.L. 118-10	250th Anniversary of the United States Marine Corps Commemorative Coin Act													
Enacted: 07/26/2023	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0	0
H.R. 1096	Five-year PAYGO scorecard.....		0	0	0	0	0							
Estimate: OMB	Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0	0		
9 P.L. 118-19	An Act to amend title 38, United States Code, to extend and modify certain authorities and requirements relating to the Department of Veterans Affairs, and for other purposes.													
Enacted: 10/06/2023	Net PAYGO impact.....	0	0	1	0	0	0	0	0	0	-2	0	1	-1
S. 2795	Five-year PAYGO scorecard.....		0	0	0	0	0							
Estimate: OMB	Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0	0		
10 P.L. 118-22	Further Continuing Appropriations and Other Extensions Act, 2024													
Enacted: 11/17/2023	Net PAYGO impact	0	0	0	0	0	0	0	0	0	0	0	0	0
H.R. 6363	Five-year PAYGO scorecard		0	0	0	0	0							
Estimate: OMB	Ten-year PAYGO scorecard		0	0	0	0	0	0	0	0	0	0		
11 P.L. 118-24	National Guard and Reservists Debt Relief Extension Act of 2023													
Enacted: 12/19/2023	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0	0
H.R. 3315	Five-year PAYGO scorecard.....		0	0	0	0	0							
Estimate: OMB	Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0	0		
12 P.L. 118-25	Duck Stamp Modernization Act of 2023													
Enacted: 12/19/2023	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0	0
S. 788	Five-year PAYGO scorecard.....		0	0	0	0	0							
Estimate: OMB	Ten-year PAYGO scorecard.....		0	0	0	0	0	0	0	0	0	0		

<sup>2</sup> Pursuant to the Statutory Pay-As-You-Go Act of 2010, does not include savings from discretionary caps, which would result in additional savings relative to the savings shown above.

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>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>2032</u>	<u>2033</u>	<u>2023-28</u>	<u>2023-33</u>
13 P.L. 118-26	To amend the Federal Election Campaign Act of 1971 to extend the Administrative Fine Program for certain reporting violations.													
Enacted: 12/19/2023	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0	0
S. 2747														
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		
14 P.L. 118-27	5G Spectrum Authority Licensing Enforcement Act													
Enacted: 12/19/2023	Net PAYGO impact.....	0	-419	0	0	0	0	0	0	0	0	0	-419	-419
S. 2787														
Estimate: OMB	Five-year PAYGO scorecard.....		-84	-84	-84	-84	-84							
	Ten-year PAYGO scorecard.....		-42	-42	-42	-42	-42	-42	-42	-42	-42	-42		
15 P.L. 118-31	National Defense Authorization Act for Fiscal Year 2024													
Enacted: 12/22/2023	Net PAYGO impact.....	0	416	-1,506	648	631	813	806	312	324	-2,545	-2,230	1,001	-2,332
H.R. 2670														
Estimate: OMB	Five-year PAYGO scorecard.....		200	200	200	200	200							
	Ten-year PAYGO scorecard.....		-233	-233	-233	-233	-233	-233	-233	-233	-233	-233		
16 P.L. 118-34	Airport and Airway Extension Act of 2023, Part II													
Enacted: 12/26/2023	Net PAYGO impact.....	0	0	0	0	0	0	0	0	0	0	0	0	0
H.R. 6503														
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.