**Template – Note 22 Text, Funds from Dedicated Collections**

**Applicable to NIST, NOAA, NTIA, and USPTO**

**Each bureau reviews and updates its respective portions.**

**Q4 FY 2021**

**Bureau: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Prepared By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Date Prepared: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Instruction: Enter billions with two decimal places, millions with one decimal place, and thousands with no decimal places. Note: There can be exceptions to this policy when determined beneficial to provide more meaningful – typically, this would be to further extend decimal places to an additional decimal place to differentiate information (in limited circumstances).

Below is a description of major Funds from Dedicated Collections shown in the table above and on the previous pages:

**NIST Portion**

NIST’s ***Wireless Innovation Fund*** was created in order for NIST, in consultation with the Federal Communications Commission (FCC), the Secretary of Homeland Security, and the National Institute of Justice of the U.S. Department of Justice, to conduct research and assist with the development of standards, technologies, and applications to advance wireless public safety communications. Section 6413 of the Middle Class Tax Relief and Job Creation Act of 2012 required NTIA to make available $300.0 million to the Director of NIST as amounts are deposited into NTIA’s Public Safety Trust Fund to carry out public safety research. The Wireless Innovation Fund through FY 2017 received transfers in totaling $300.0 million from NTIA’s Public Safety Trust Fund. The law establishing this program can be found in Section 6303 of the Middle Class Tax Relief and Job Creation Act of 2012.

**NOAA Portion**

NOAA’s ***Damage Assessment and Restoration Revolving Fund*** receives monies for the reimbursement of expenses related to oil or hazardous substance spill response activities, or natural resource damages assessment, restoration, rehabilitation, replacement, or acquisition activities conducted by NOAA. The recovered sums by a federal, state, tribal, or foreign trustee for natural resource damages is retained by the trustee and is only used to reimburse or pay costs incurred by the trustee for the damaged natural resources. The law establishing the Damage Assessment and Restoration Revolving Fund can be found in 33 U.S.C. Section 2706.

**NTIA Portion**

NTIA’s ***Digital Television Transition and Public Safety Fund*** made digital television available to every home in America, improved communications between local, state, and federal agencies, allowed smaller television stations to broadcast digital television, and improved how warnings are received when disasters occur. NTIA received initial funding from borrowings from Treasury, and repaid Treasury from the proceeds of the auction of recovered analog spectrum which was completed in March 2008. The proceeds from the auction provided funding for several programs, and $7.36 billion was transferred in September 2009 to the General Fund of the U.S. Government as required by the Deficit Reduction Act of 2005. The Fund has a *Fund Balance with Treasury* balance of $\_.\_\_ billion and a *Net Position*, *Cumulative Results of Operations* balance of $\_.\_\_ billion, as of September 30, 2021, of which $\_.\_\_ billion is unavailable for obligation as of September 30, 2021 **[OFM Note: OFM will verify data to applicable HFM data]**. The law establishing programs under this fund can be found in the Deficit Reduction Act of 2005, Sections 3001-3014. For FY 2021 budgetary financial information for the Digital Television Transition and Public Safety Fund, see the *Combining Schedule of Budgetary Resources by Major Budget Account* (unaudited), included in *Required Supplementary Information (Unaudited)*.

NTIA’s ***Network Construction Fund*** and ***First Responder Network Authority fund*** primarily provide funding at this time for the federal portion of cost contributions toward buildout/continuing enhancement of the Nationwide Public Safety Broadband Network (NPSBN) and for operations of the First Responder Network Authority (FirstNet), an independent authority within NTIA. FirstNet shall ensure the establishment of a nationwide interoperable broadband network to help police, firefighters, emergency medical service professionals, and other public safety officials stay safe and do their jobs. For information about FirstNet’s public-private partnership with AT&T to buildout, deploy, operate, and maintain the NPSBN under a 25-year contract award by FirstNet to AT&T in March 2017, see Note 26, *Disclosure Public-Private Partnerships*.

The asset *Cost Contribution to Buildout/Continuing Enhancement of NPSBN, Net* amounted to $\_.\_\_ billion and $4.77 billion as of September 30, 2021 and 2020, respectively, which is net of accumulated amortization of $\_\_.\_ million and $239.4 million, respectively **[OFM Note: OFM will verify data to applicable HFM data. NIST will also submit to OFM the supporting Excel file]**. The Department’s cost contribution to buildout and continuing enhancement of the NPSBN is captured in both the Network Construction Fund and in the First Responder Network Authority fund and includes (a) completed and accepted AT&T contract performance for buildout/ continuing enhancement of the NPSBN; and (b) accrued costs for estimated, unbilled AT&T contract performance progress. See Note 1.N for information regarding the classification of these cost contributions as an asset, and the related amortization of the cost contributions. Cost contributions for continuing enhancement to the NPSBN began in the fourth quarter of FY 2020, and amortization of certain of these cost contributions began in FY 2021.

**Network Construction Fund**

The Network Construction Fund in FY 2021 and FY 2020 received transfers in from NTIA’s Public Safety Trust Fund totaling $\_\_\_.\_ \_\_\_\_\_\_\_\_\_(indicate millions or thousands) **[OFM Note: OFM will verify data to applicable HFM data]** and $46.0 million, respectively, and also through FY 2019 similarly received transfers in from NTIA’s Public Safety Trust Fund totaling $6.82 billion.

The law establishing the Network Construction Fund can be found under Section 6206 of the Middle Class Tax Relief and Job Creation Act of 2012. For FY 2021 budgetary financial information for the Network Construction Fund, see the *Combining Schedule of Budgetary Resources by Major Budget Account* (unaudited), included in *Required Supplementary Information (Unaudited)*.

**First Responder Network Authority fund**

FirstNet is authorized to assess and collect fees, and also annually collects exchange revenue (allocated between unearned revenue and earned revenue) from AT&T under the terms of its contract with AT&T to buildout, deploy, operate, and maintain the NPSBN. The First Responder Network Authority fund was established primarily pursuant to Sections 6206 and 6208 of the Middle Class Tax Relief and Job Creation Act of 2012.

NTIA’s ***Public Safety Trust Fund*** was created as a result of Section 6413 of the Middle Class Tax Relief and Job Creation Act of 2012 (Act). The Act provides funding for specified programs and activities to be derived from the proceeds of FCC auctions of spectrum licenses, to be deposited into the Public Safety Trust Fund.

Prior to the receipt of auction proceeds from FCC, the Act provided authority to NTIA to borrow up to $2.00 billion from Treasury, interest-free, with the debt to be repaid from auction proceeds as the first priority. The Public Safety Trust Fund borrowed $2.00 billion from Treasury through FY 2014, which was repaid in full as of September 30, 2015.

FCC carries out auctions in accordance with the Act, of which certain earned net auction proceeds (earned auction proceeds less any FCC administrative fees) are transferred from FCC to the Public Safety Trust Fund. A transfer in from FCC becomes a financing source on the *SCNP* when the transfer is received. A transfer in of auction proceeds from FCC of $\_.\_\_ billion was received in FY 2021, which is not available for obligation **[OFM Note: OFM will verify any data to applicable HFM data.]**; there were not any transfers in of auction proceeds from FCC received in FY 2020. The auction proceeds received in FY 2021 are excess funds beyond the needs of priorities 1 through 7 discussed below, and are invested in non-marketable, market-based Treasury securities—see discussion further below about investments of the Public Safety Trust Fund. Transfers in of auction proceeds from FCC totaling $35.34 billion through FY 2019 were previously received.

The Act directs the use of auction proceeds in an order of priority after the repayment of borrowings from Treasury (priority 1):

**●** Priority 1, the repayment of borrowings from Treasury, was fully completed as of September 30, 2015 as previously discussed.

**●** In FY 2015, the Public Safety Trust Fund transferred out $130.9 million, net of sequestration, to NTIA’s State and Local Implementation Fund, fully completing priority 2.

**●** In FY 2021 and FY 2020, the Public Safety Trust Fund transferred out to NTIA’s Network Construction Fund a total of $\_\_\_.\_ million **[OFM Note: OFM will verify any data to applicable HFM data]** and $46.0 million, respectively, toward priority 3 of transferring up to $7.00 billion to NTIA’s Network Construction Fund for buildout of the NPSBN. The Public Safety Trust Fund also similarly transferred out a total of $6.82 billion to the Network Construction Fund through FY 2019 toward priority 3.

**●** In FY 2017 and FY 2016, the Public Safety Trust Fund transferred out a total of $300.0 million to NIST’s Wireless Innovation Fund, fully completing priority 4 and priority 7 for transfers to NIST to carry out public safety research.

**●** Priority 5 specifies that the Public Safety Trust Fund is to deposit a total of $20.40 billion in the General Fund of the U.S. Government for deficit reduction. Fully completing this priority, the Public Safety Trust Fund transferred out a total of $20.40 billion during FY 2016 and FY 2015 to a receipt account utilized for transferring these funds to the General Fund of the U.S. Government, and the receipt account transferred a total of $20.40 billion during FY 2016 and FY 2015 to the General Fund of the U.S. Government.

**●** Priority 6 specifies that the Public Safety Trust Fund make available $115.0 million to the Assistant Secretary (NTIA) and the Administrator of the National Highway Traffic Safety Administration (NHTSA) to carry out the grant program of Next Generation 9-1-1. Fully completing this priority, the Public Safety Trust Fund transferred out a total of $112.2 million in FY 2017 and FY 2016 to NHTSA, and made available in FY 2016 $2.8 million within the Public Safety Trust Fund for the Assistant Secretary (NTIA).

**●** Priority 8 specifies that any remaining amounts deposited in the Public Safety Trust Fund shall be deposited in the General Fund of the U.S. Government for deficit reduction. The Act further specifies that any amounts remaining in the Public Safety Trust Fund after the end of FY 2022 shall be deposited in the General Fund of the U.S. Government for deficit reduction. Toward priority 8, the Public Safety Trust Fund has recorded a liability (not covered by budgetary resources) to the General Fund of the U.S. Government of $\_.\_\_ billion **[OFM Note: OFM will verify data to applicable HFM data]** and $7.67 billion as of September 30, 2021 and 2020, respectively. The corresponding FY 2021 and FY 2020 financing sources used to increase the liability for additional remaining amounts in the Fund of $\_.\_\_ billion **[OFM Note: OFM will verify data to applicable HFM data]** and $101.7 million, respectively, are reported in the FY 2021 and FY 2020 *SCNP* reported in this Note, *Cumulative Results of Operations* subsection.

The Act specifies that amounts in the Public Safety Trust Fund be invested in accordance with 31 U.S.C. Section 9702. The Public Safety Trust Fund has investments, net of amortized discount/(premium), in non-marketable, market-based Treasury securities totaling $\_.\_\_ billion **[OFM Note: OFM will verify data to applicable HFM data]** and $7.67 billion as of September 30, 2021 and 2020, respectively; see Note 1.H, *Investments, Net* and Note 3 for more information. The federal government does not set aside assets to pay future expenditures associated with the Public Safety Trust Fund. The dedicated cash receipts collected from the public into the Public Safety Trust Fund are deposited with Treasury, which uses the cash for general government purposes. Treasury securities are issued to the Public Safety Trust Fund as evidence of its receipts. Treasury securities are an asset to the Public Safety Trust Fund, and Treasury securities are a liability of Treasury. Because the Public Safety Trust Fund and Treasury are both parts of the federal government, these assets and liabilities offset each other from the standpoint of the federal government as a whole. For this reason, they do not represent an asset or a liability in the U.S. government-wide financial statements. Treasury securities provide the Public Safety Trust Fund with authority to draw upon Treasury to make future expenditures. When the Public Safety Trust Fund requires redemption of these securities to make expenditures, the federal government finances those expenditures out of accumulated cash balances by raising taxes or other receipts, by borrowing from the public or repaying less debt, or by curtailing other expenditures. This is the same way that the federal government finances all other expenditures.

For FY 2021 budgetary financial information for the Public Safety Trust Fund, see the *Combining Schedule of Budgetary Resources by Major Budget Account* (unaudited) included in *Required Supplementary Information (Unaudited)*.

USPTO’s ***Funds from Dedicated Collections*** consist of its Salaries and Expenses Fund, Patent and Trademark Surcharge Fund, and Patent and Trademark Fee Reserve Fund.

The Salaries and Expenses Fund contains monies used for the administering of the laws relevant to patents and trademarks and advising the Secretary of Commerce, the President of the United States, and the Administration on patent, trademark, and copyright protection, and trade-related aspects of intellectual property. This fund is used for USPTO’s three core business activities—granting patents; registering trademarks; and intellectual property policy, protection, and enforcement—that promote the use of intellectual property rights as a means of achieving economic prosperity. These activities give innovators, businesses, and entrepreneurs the protection and encouragement they need to turn their creative ideas into tangible products, and also provide protection for their inventions and trademarks. The Salaries and Expenses Fund’s Fund Balance with Treasury as of September 30, 2021 and 2020 includes (a) $790.1 million **[USPTO:** **VERIFY PLEASE FOR 9/30/21 BALANCE] [OFM Note: OFM will verify data to applicable HFM data]** of USPTO offsetting collections exceeding the current fiscal year and prior fiscal years’ appropriations. USPTO may use these funds only as authorized by Congress, and only as made available by the issuance of a Treasury warrant; and (b) $147.7 million **[USPTO:** **VERIFY PLEASE FOR 9/30/21 BALANCE] [OFM Note: OFM will verify data to applicable HFM data]** of USPTO sequestered funds temporarily not available. See 35 U.S.C. 42, *Patent and Trademark Office Funding*, for more information on this fund; and for FY 2020 budgetary financial information, see the *Combining Schedule of Budgetary Resources by Major Budget Account* (unaudited), included in *Required Supplementary Information (Unaudited)*.

The Patent and Trademark Surcharge Fund, a Special Fund Receipt Account at Treasury, is discussed in Note 19, *Combined Statements of Budgetary Resources*. USPTO may use monies from this fund only as authorized by Congress and made available by the issuance of a Treasury warrant. As of September 30, 2021 and 2020, $233.5 million **[USPTO:** **VERIFY PLEASE FOR 9/30/21 BALANCE]** **[OFM Note: OFM will verify data to applicable HFM data]** of Fund Balance with Treasury is held in this fund. The law establishing the Patent and Trademark Surcharge Fund is the Omnibus Budget Reconciliation Act of 1990, Title X, Subtitle B, Section 10101 (Public Law 101-508).

The Patent and Trademark Fee Reserve Fund results from a provision that requires USPTO to deposit into this Fund all patent and trademark fees collected in excess of its annual appropriation amount. Funds made available may only be used, as applicable, for expenses of USPTO relating to the processing of patent applications and trademark registrations, and for other activities, services, and materials relating to patents, trademarks, and related administrative costs. No monies had been deposited into this Fund through September 30, 2018. In FY 2019, fee collections in excess of the FY 2019 appropriation amount for the Salaries and Expenses fund, totaling $28.7 million, were transferred into this Fund from the Salaries and Expenses Fund. In FY 2020, these monies were transferred from this Fund back to the Salaries and Expenses Fund. Furthermore, in FY 2020, fee collections in excess of the FY 2020 appropriation amount for the Salaries and Expenses fund, totaling $231.9 million, were transferred into this Fund from the Salaries and Expenses Fund. In FY 2021, these monies were transferred from this Fund back to the Salaries and Expenses Fund. **USPTO: please verify that this content regarding FY 2021 activity is still accurate)** **[OFM Note: OFM will verify data to applicable HFM data]**.The law establishing the Patent and Trademark Fee Reserve Fund can be found in 35 U.S.C. Section 42(c).