



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 25, 2009

H.R. 2701 **Intelligence Authorization Act for Fiscal Year 2010**

*As ordered reported by the House Permanent Select Committee on Intelligence
on June 18, 2009*

SUMMARY

H.R. 2701 would authorize appropriations for fiscal year 2010 for intelligence activities of the U.S. government, for the Intelligence Community Management Account, and for the Central Intelligence Agency Retirement and Disability System (CIARDS).

Since CBO does not provide estimates for classified programs, this estimate addresses only the unclassified portions of the bill. In addition, CBO cannot provide estimates of provisions that affect both classified and unclassified programs. On that limited basis, CBO estimates that implementing certain provisions of the bill would cost \$236 million in 2010 and \$669 million over the 2010-2014 period. Enacting H.R. 2701 would not affect direct spending or revenues.

H.R. 2701 includes new subpoena authority that would impose an intergovernmental and private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA), but CBO expects the cost of complying with the mandate would be small and well below the thresholds established in UMRA (\$69 million for intergovernmental mandates and \$139 million for private-sector mandates in 2009, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2701 is shown in the following table. The costs of this legislation fall within budget function 050 (national defense).

	By Fiscal Year, in Millions of Dollars					2010- 2014
	2010	2011	2012	2013	2014	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Intelligence Community Management Account						
Authorization Level	673	0	0	0	0	673
Estimated Outlays	236	283	121	20	7	667
Training in African Languages						
Authorization Level	2	0	0	0	0	2
Estimated Outlays	0	1	1	0	0	2
Total Changes						
Authorization Level	675	0	0	0	0	675
Estimated Outlays	236	284	122	20	7	669

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 2701 will be enacted near the beginning of fiscal year 2010, that the specified amounts will be appropriated, and that outlays will follow historical spending patterns for existing or similar programs.

Intelligence Community Management Account

Section 104 would authorize the appropriation of \$673 million for the Intelligence Community Management Account, which provides the principal source of funding for the Office of the Director of National Intelligence and provides resources for coordinating programs, overseeing budgets, and managing the intelligence agencies. CBO estimates that implementing this provision would cost \$667 million over the 2010-2014 period, assuming appropriation of the specified amount.

Training in African Languages

Section 314 would authorize the Director of National Intelligence, after consultation with the National Security Education Board, to establish a pilot program to provide scholarships for training in certain African languages not currently covered by existing scholarship programs. The bill would authorize the appropriation of \$2 million for that purpose, and CBO estimates that those amounts would result in outlays of \$1 million in both fiscal years 2010 and 2011, assuming the appropriation of the specified amount.

Central Intelligence Agency Retirement and Disability System

Section 201 would authorize the appropriation of \$291 million to CIARDS to cover retirement costs attributable to military service and various unfunded liabilities. The appropriation to CIARDS is considered mandatory, and the authorization under this bill would be the same as the amount in the CBO baseline. Thus, this estimate does not ascribe any additional cost to that provision.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2701 contains an intergovernmental and private-sector mandate as defined in UMRA. Section 501 would extend the National Commission for the Review of Research and Development Programs of the U.S. Intelligence Community, and the subpoena authority of that commission. Entities in the public and private sectors, if subpoenaed, would be required to provide testimony, documents, or other evidence. CBO expects that the commission would likely issue subpoenas sparingly and that the costs to comply with a subpoena would not be significant. Thus, we estimate that the total costs of the mandate would be small and well below the annual thresholds established in UMRA (\$69 million for intergovernmental mandates and \$139 million for private-sector mandates in 2009, adjusted annually for inflation).

The bill also would create a grant program to promote the recruitment and retention of an ethnically and culturally diverse workforce within the intelligence community, which would benefit public colleges and universities. Any costs they may incur, including matching funds, would result from complying with conditions of aid.

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