



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 5, 1999

S. 1707

A bill to amend the Inspector General Act of 1978 (5 U.S.C. App.) to provide that certain designated federal entities shall be establishments under such act, and for other purposes

*As ordered reported by the Senate Committee on Governmental Affairs
on November 3, 1999*

SUMMARY

S. 1707 would require the President to appoint the inspector general (IG) for the Tennessee Valley Authority (TVA). Currently, that authority rests with the board of the directors of TVA. In addition, the bill would establish both the Criminal Investigator Academy and the Inspectors General Forensic Laboratory within the Department of the Treasury. The new entities would provide centralized training and forensic lab services for the 59 offices of inspector general. Beginning in fiscal year 2001, the bill would authorize the appropriation of such sums as may be necessary to fund the two facilities.

Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 1707 would cost the federal government about \$22 million over the 2001-2004 period. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. S. 1707 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1707 is shown in the following table. For the purposes of this estimate, CBO assumes that the estimated authorization level will be appropriated by the start of each fiscal year. The costs of this legislation fall within budget function 800 (general government).

	By Fiscal Year, in Millions of Dollars				
	2000	2001	2002	2003	2004
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	0	6	5	5	6
Estimated Outlays	0	5	6	5	6

BASIS OF ESTIMATE

S. 1707 would establish two entities—the Criminal Investigator Academy and the Inspectors General Forensic Laboratory—to provide centralized support to federal IG offices. To some extent, the IG offices currently fund such services separately. Based on information from the Department of the Treasury, CBO estimates that operating the two centers would cost about \$6 million in fiscal year 2001 and about \$29 million over the 2001-2004 period, assuming appropriation of the necessary amounts. That estimate includes about \$1 million for certain one-time expenses in 2001 and assumes that, in total, the academy and laboratory would require between 45 and 50 employees. The estimated costs for fiscal years 2002 through 2004 have been adjusted to reflect the impact of inflation on the costs of operation.

Because the IG offices would no longer fund such services separately, we estimate that implementing S. 1707 would reduce their costs by about one-quarter of the additional costs estimated for the academy and laboratory. Thus, in total, CBO estimates that implementing the bill would cost the federal government about \$5 million in fiscal year 2001 and about \$22 million over the 2001-2004 period.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE SECTOR IMPACT

S. 1707 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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