H.R. 4257
Federal Information Security Amendments Act of 2012

As ordered reported by the House Committee on Oversight and Government Reform
on April 18, 2012

SUMMARY

H.R. 4257 would amend the Federal Information Security Management Act of 2002 (FISMA) to improve the security of federal information technology systems. The legislation would require continuous monitoring of computer systems and provide the Office of Management and Budget (OMB) and federal agencies with specific new responsibilities to secure federal information systems.

Based on information from the Department of Homeland Security (DHS), the Office of Management and Budget (OMB), and other major agencies working to ensure the security of federal information systems, CBO estimates that implementing H.R. 4257 would cost $710 million over the 2013-2017 period, assuming appropriation of the necessary amounts. Most of those funds would be spent on salaries, expenses, and computer hardware and software. Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 4257 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4257 is shown in the following table. The costs of this legislation fall within budget functions 800 (general government) and all other budget functions that include spending for computer information systems.
By Fiscal Year, in Millions of Dollars

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<tbody>
<tr>
<td>Estimated Auth. Level</td>
<td>70</td>
<td>120</td>
<td>150</td>
<td>200</td>
<td>220</td>
<td>760</td>
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<tr>
<td>Estimated Outlays</td>
<td>50</td>
<td>110</td>
<td>145</td>
<td>190</td>
<td>215</td>
<td>710</td>
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**CHANGES IN SPENDING SUBJECT TO APPROPRIATION**

**BASIS OF ESTIMATE**

For this estimate, CBO assumes that the bill will be enacted in fiscal year 2012, that the necessary amounts will be appropriated each year, and that spending will follow historical patterns for salaries and expenses related to securing federal information systems.

FISMA sets forth a comprehensive framework for ensuring that security controls for information resources that support federal operations and assets are effective. Specifically, FISMA requires the head of each federal agency to provide protections commensurate with the risk and magnitude of harm that would result from the unauthorized access, use, disclosure, disruption, modification, or destruction of the information and systems used or operated by that agency. OMB reports that in 2011, 24 federal agencies (all agencies that have appointed Chief Financial Officers), spent more than $13 billion on security for information technology. That security spending accounts for about 18 percent of all federal spending on information technology and includes spending for testing, training, equipment, and personnel costs. Inspector General reviews of federal agencies report that less than half of the agencies have implemented adequate continuous monitoring operations of their computer systems and about half have unresolved security problems involving alternative computer processing sites, contingency planning for emergencies, and adequate backup of computer information.

H.R. 4257 would expand the requirements in FISMA to strengthen and coordinate security controls for computer systems across federal agencies. Some of those new requirements include establishing uniform standards across agencies’ information systems, implementing automated and continuous monitoring of systems to secure information, conducting threat assessments, and maintaining secure facilities. Based on information from OMB, the Department of Homeland Security and other agencies, CBO estimates that when fully implemented, the new activities specified in H.R. 4257 would add about 2 percent—roughly $200 million a year—to the annual cost of implementing FISMA. CBO expects that it would take about four years to reach that level of effort for the thousands of federal computer systems currently operating. Over the 2013-2017...
period, we estimate that implementing those additional requirements and authorities would cost about $710 million, assuming appropriation of the necessary amounts.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4257 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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