



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 13, 1999

### **S. 1009** **Intelligence Authorization Act for Fiscal Year 2000**

*As reported by the Senate Select Committee on Intelligence  
on May 11, 1999*

#### **SUMMARY**

S. 1009 would authorize appropriations for fiscal year 2000 for intelligence activities of the United States government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System (CIARDS).

This estimate addresses only the unclassified portion of the bill. On that limited basis, CBO estimates that enacting the bill would result in additional spending of \$172 million over the 2000-2004 period, assuming appropriation of the authorized amounts. The unclassified portion of the bill would affect direct spending; thus, pay-as-you-go procedures would apply. However, CBO cannot give a precise estimate of the direct spending effects because the data necessary to support a cost estimate are classified.

The Unfunded Mandates Reform Act (UMRA) excludes from application of that act legislative provisions that are necessary for the national security. CBO has determined that the unclassified provisions of this bill either fit within that exclusion or do not contain intergovernmental or private-sector mandates as defined by UMRA.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of the unclassified portions of S. 1009 is shown in the following table. CBO cannot obtain the necessary information to estimate the costs for the entire bill because parts are classified at a level above clearances held by CBO employees. For purposes of this estimate, CBO assumes that the bill will be enacted by October 1, 1999, and that the authorized amounts will be appropriated for fiscal year 2000.

	By Fiscal Year, in Millions of Dollars					
	1999	2000	2001	2002	2003	2004
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending Under Current Law for Intelligence Community Management						
Budget Authority <sup>a</sup>	102	0	0	0	0	0
Estimated Outlays	104	39	9	2	0	0
Proposed Changes						
Authorization Level	0	172	0	0	0	0
Estimated Outlays	0	106	52	10	3	0
Spending Under S. 1009 for Intelligence Community Management						
Authorization Level <sup>a</sup>	102	172	0	0	0	0
Estimated Outlays	104	145	61	12	3	0
<b>CHANGES IN DIRECT SPENDING</b>						
Estimated Budget Authority	0	b	b	b	b	b
Estimated Outlays	0	b	b	b	b	b

a. The 1999 level is the amount appropriated for that year.

b. CBO cannot give a precise estimate of direct spending effects because the data necessary to support a cost estimate are classified.

Outlays are estimated according to historical spending patterns. The costs of this legislation fall within budget function 050 (national defense).

The bill would authorize appropriations of \$172 million for the Intelligence Community Management Account, which funds the coordination of programs, budget oversight, and management of the intelligence agencies. In addition, the bill would authorize \$209 million for CIARDS to cover retirement costs attributable to military service and various unfunded liabilities. The payment to CIARDS is considered mandatory, and the authorization under this bill would be the same as assumed in the CBO baseline.

Section 305 would allow an individual who is or has been affiliated with a Communist or similar political party to become a naturalized citizen, if the individual has made a contribution to the national security or national intelligence mission of the United States. Under current law, such individuals are not allowed to become naturalized citizens, unless the affiliation was involuntary. Enacting this provision could affect certain federal assistance programs and the amount of fees collected by the Immigration and Naturalization Service. Because the number of affected individuals is expected to be very small, however, CBO estimates that any effects on direct spending would not be significant.

Section 402 of the bill would extend the authority of the Central Intelligence Agency (CIA) to offer incentive payments to employees who voluntarily retire or resign. This authority, which is currently scheduled to expire at the end of fiscal year 1999, would be extended through fiscal year 2000. Section 402 would also require the CIA to make a deposit to the Civil Service Retirement and Disability Fund equal to 15 percent of final pay for each employee who accepts an incentive payment. CBO estimates that these payments would amount to less than \$3 million. We believe that these deposits would be sufficient to cover the cost of any long-term increase in benefits that would result from induced retirements, although the timing of agency payments and the additional benefit payments would not match on a yearly basis. CBO cannot provide a precise estimate of the direct spending effects because the data necessary for an estimate are classified.

Section 501 of the bill would require a background investigation of citizens of a foreign nation before they could enter a national laboratory of the Department of Energy. Based on information from two of the three national laboratories, CBO expects the laboratories to host about 10,000 foreign visitors a year. The cost to conduct an investigation would depend on the type of background check. According to the Defense Department, the cost for a minimum national agency check is about \$70, and the cost can increase to \$300 with additional credit bureau or local police agency checks. Because some of these costs would be incurred under current law, CBO estimates that the additional costs of implementing section 501 would be minimal.

#### **PAY-AS-YOU-GO CONSIDERATIONS:**

Sections 305 and 402 of the bill would affect direct spending, and therefore the bill would be subject to pay-as-you-go procedures. CBO estimates that the direct spending costs of section 305 would be very small. CBO cannot estimate the precise direct spending effects of section 402 because the necessary data are classified.

#### **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

The Unfunded Mandates Reform Act excludes from application of the act legislative provisions that are necessary for the national security. CBO has determined that the unclassified provisions of this bill either fit within that exclusion or do not contain intergovernmental or private-sector mandates as defined by UMRA.

**PREVIOUS CBO ESTIMATE:**

On May 5, 1999, CBO prepared a cost estimate for the unclassified portion of H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000, as ordered reported by the House Permanent Select Committee on Intelligence. The House version authorizes more funds for Intelligence Community Management, and the estimated costs of H.R. 1555 are therefore higher.

**ESTIMATE PREPARED BY:**

Federal Costs:

Estimate for Naturalization Provision: Valerie Baxter

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Impact on State, Local, and Tribal Governments: Teri Gullo

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