



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 10, 2003

### **H.R. 2886**

#### **Department of Homeland Security Financial Accountability Act**

*As ordered reported by the House Select Committee on Homeland Security  
on October 30, 2003*

H.R. 2886 would amend the Chief Financial Officers Act and the Homeland Security Act to require the President to appoint a Chief Financial Officer (CFO) to be confirmed by the Senate to oversee the financial accounting practices of the Department of Homeland Security (DHS). The legislation would require DHS to submit a performance and accountability report and to submit an audit of its internal financial controls to the Office of Management and Budget and to the Congress. The legislation also would establish an Office of Program Analysis and Evaluation in DHS and require the department to prepare a national homeland security strategy each year.

CBO estimates that implementing H.R. 2886 would cost \$4 million annually, subject to the availability of appropriated funds. Enacting the bill would not affect direct spending or revenues. H.R. 2886 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

DHS currently employs a CFO who has the same duties and responsibilities as CFOs in other agencies. According to the agency, DHS currently complies with the provisions of the Chief Information Officers Act. The legislation would codify current practices of DHS including the operations of the department's existing Program Analysis and Evaluation Office. Based on information from DHS, CBO estimates that the requirement to prepare an audit of the department's internal financial controls would cost \$4 million a year, subject to the availability of appropriated funds.

In addition, H.R. 2886 would require DHS to develop and annually update a comprehensive national homeland security strategy. Under the Homeland Security Act, DHS is already charged with implementing a future year security program and a homeland security funding analysis. Because the agency is already developing such a strategy, CBO expects that the new reporting requirement would not add significant costs.

On October 29, 2003, CBO transmitted a cost estimate for S. 1567, the Department of Homeland Security Financial Accountability Act, as ordered reported by the Senate Committee on Governmental Affairs on October 22, 2003. The two pieces of legislation are similar and our estimates of the costs of implementing each bill are the same.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.