



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 1, 2011

### **H.R. 754**

#### **Intelligence Authorization Act for Fiscal Year 2011**

*As ordered reported by the House Permanent Select Committee on Intelligence  
on March 10, 2011*

#### **SUMMARY**

H.R. 754 would authorize appropriations for fiscal year 2011 for intelligence activities of the U.S. government, for the Intelligence Community Management Account (ICMA), 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 for certain provisions in the unclassified portion of the bill because they concern classified intelligence programs. On that limited basis, and assuming appropriation of the authorized amounts, CBO estimates that spending under H.R. 754 would total \$654 million from funding authorized for fiscal year 2011. That total would be \$47 million lower than spending from the annualized amounts currently available for 2011.

Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

H.R. 754 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. 754 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						2011-2016
	2011	2012	2013	2014	2015	2016	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION <sup>a</sup></b>							
Intelligence Community Management Account Spending Under Current Law							
Estimated Budget Authority	708	0	0	0	0	0	708
Estimated Outlays	460	163	57	14	7	0	701
Proposed Changes							
Authorization Level	-47	0	0	0	0	0	-47
Estimated Outlays	-31	-11	-4	-1	0	0	-47
Spending Under H.R. 754							
Authorization Level	661	0	0	0	0	0	661
Estimated Outlays	429	152	53	13	7	0	654

a. Under Public Law 112-6, Additional Continuing Appropriations Amendments, 2011, funding is provided through April 8, 2011, for the Intelligence Community Management Account. On an annualized basis, funding would total \$708 million.

## **BASIS OF ESTIMATE**

### **Spending Subject to Appropriation**

For this estimate CBO assumes that the legislation will be enacted in the next few months and the authorized amount will be appropriated shortly thereafter.

Section 103 would authorize the appropriation of \$661 million for the ICMA, which provides the principal source of funding for the Office of the Director of National Intelligence and resources for coordinating programs, overseeing budgets, and managing the intelligence agencies. Under Public Law 112-6, Additional Continuing Appropriations Amendments, 2011, funding is provided for the ICMA through April 8, 2011. At the rate provided under that law, funding for the ICMA, on an annualized basis, would total \$708 million in 2011. Since the amount that would be authorized by H.R. 754 is \$47 million lower than that amount, CBO estimates that, assuming appropriation of the authorized amount, implementing this provision would result in spending over the 2011-2016 period totaling \$654 million (\$47 million less than the annualized amounts currently available).

Section 402 would require that not later than October 1, 2012, the Director of National Intelligence establish in each element of the intelligence community an initial operating capability for an automated program that would detect the unauthorized access, use, or transmission of classified intelligence by members of the intelligence community. The provision would further require that the system be fully operable by October 1, 2013. CBO notes that the costs to achieve those goals in the time allotted by the bill might be significant; however, because of the classified nature of this program, CBO cannot provide an estimate of those costs.

### **Direct Spending**

Section 201 would authorize the appropriation of \$292 million to the Central Intelligence Agency Retirement and Disability System. CIARDS is a retirement and disability system for certain employees of the Central Intelligence Agency, and the appropriation covers various unfunded liabilities of the system. The appropriation to CIARDS is considered mandatory and the authorization under this bill would be the same as the amount under the CBO baseline. Thus, this estimate does not ascribe any additional cost to that provision.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

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

H.R. 754 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

### **PREVIOUS CBO ESTIMATE**

On March 31, 2011, CBO transmitted a cost estimate for the Intelligence Authorization Act for 2011, as ordered reported by the Senate Select Committee on Intelligence on March 15, 2011. The difference in the cost estimates reflect the difference in the amount authorized for 2011 funding of the ICMA by the two bills. The Senate version would authorize \$650 million, while H.R. 754 would authorize \$661 million.

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