



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 7, 2011

**S. 772
SECURE Facilities Act of 2011**

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on May 18, 2011*

SUMMARY

S. 772 would modify provisions of current law that govern security at federal facilities as well as activities of the Federal Protective Service (FPS) and the Interagency Security Committee (ISC). CBO estimates that implementing S. 772 would cost \$176 million over the 2012-2016 period, assuming appropriation of the necessary funds.

Because CBO estimates that the legislation would increase revenues by \$1 million over the 2012-2021 period, pay-as-you-go procedures apply. Enacting the bill would not affect direct spending until after 2021.

S. 772 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 S. 772 is shown in the following table. The costs of this legislation fall within budget functions 800 (general government), 950 (undistributed offsetting receipts), and all functions that include government agencies that use the services of the FPS.

	By Fiscal Year, in Millions of Dollars					2012-2016
	2012	2013	2014	2015	2016	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION^a						
Federal Protective Service						
Estimated Authorization Level	33	21	25	29	30	138
Estimated Outlays	33	21	25	29	30	138
FPS Retirement Contributions (Employer Share) ^b						
Estimated Authorization Level	1	2	2	3	3	11
Estimated Outlays	1	2	2	3	3	11
Other Provisions						
Estimated Authorization Level	6	6	5	5	5	27
Estimated Outlays	6	6	5	5	5	27
Total Changes						
Estimated Authorization Level	40	29	32	37	38	176
Estimated Outlays	40	29	32	37	38	176
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Memorandum:						
Intragovernmental Collections from Retirement Contributions (Employer Share) ^b	-1	-2	-2	-3	-3	-11

Notes: FPS = Federal Protective Service.
Amounts may not sum to totals because of rounding.

- a. CBO estimates that enacting S. 772 would increase revenue collections by less than \$500,000 over the 2012-2016 period and by about \$1 million over the 2012-2021 period because of increased employee retirement contributions.
- b. Employer contributions are intragovernmental transactions that do not affect the deficit. Thus, the amounts shown under changes in spending subject to appropriation would be offset by collections, as shown in the memorandum.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted by the end of 2011, that the necessary amounts will be appropriated near the start of each fiscal year, and that spending will follow historical patterns for similar activities. CBO estimates that implementing S. 772 would have a discretionary cost of \$176 million over the 2012-2016 period. (Assuming the appropriation of the necessary amounts, intragovernmental collections would rise by \$11 million over that period.) Key components of that estimate are described below.

Federal Protective Service

The FPS is a federal agency that provides integrated security and law enforcement services to federally owned and leased properties. Using a fee-based system to charge federal agencies for its services, FPS currently employs 1,225 federal security officers, criminal investigators, police officers, and support personnel and contracts with 13,000 other guards to secure approximately 9,000 federal buildings. The bill would specify staffing levels for law enforcement and administrative personnel at the FPS in 2012 and establish permanent minimum staffing levels. In addition, S. 722 would require that any new hiring be conditioned on reducing an equivalent number of current employees. Finally, the legislation also would standardize the oversight and training of FPS's contract guards and increase the number of canine teams assigned to infrastructure security.

Based on information from the Department of Homeland Security (DHS) about the cost of similar efforts by other agencies, CBO estimates that implementing those provisions would cost \$138 million over the 2012-2016 period. Those amounts would cover the costs to hire new security personnel (primarily contractors), purchase security equipment, provide training for agency staff and contract officers, and oversee those activities.

FPS Retirement Contribution

Under S. 772, FPS officers would be considered law enforcement officers for retirement purposes. That change, which would apply only to years of service earned after enactment of S. 772, would provide greater retirement benefits to eligible employees after 20 years of law enforcement service. CBO estimates that any increases in federal spending for retirement benefits (which would be considered direct spending) would not occur until after 2021. However, in order to receive the retirement benefit for law enforcement officers, both FPS and the eligible officers would be required to make larger contributions toward that benefit during the officers' employment. As a result, CBO estimates that FPS would be required to pay an additional \$11 million in retirement contributions over the 2012-2016 period. (Such contributions are intragovernmental and do not affect the deficit.) CBO estimates that additional employee contributions (recorded as revenues in the budget) would total about \$1 million through 2021.

Other Provisions

Under an existing executive order, the Interagency Security Committee sets certain parameters related to security for all federal buildings. The legislation would codify and expand the committee's size and responsibilities and create an appeals process for affected agencies. S. 772 also would require DHS to report to the Congress on the FPS's personnel needs, use of contract guards, and overall funding requirements. Based on information from the FPS and the ISC about the cost of similar activities and reports, CBO estimates that implementing all of those provisions would cost \$5 million to \$6 million annually over the 2012-2016 period.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. Enacting S. 772 would increase revenues from employee contributions to retirement accounts by about \$1 million through 2021. The changes in revenues that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of the Statutory Pay-As-You-Go Effects for S. 772 as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on May 18, 2011

	By Fiscal Year, in Millions of Dollars												2011-	2011-
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016	2021	
NET INCREASE OR DECREASE (-) IN THE DEFICIT														
Statutory Pay-As-You-Go Impact	0	0	0	0	0	0	0	0	0	0	0	0	0	-1

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 772 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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