



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 18, 2014

H.R. 5170 **Federal Records Accountability Act of 2014**

*As ordered reported by the House Committee on Oversight and Government Reform
on July 24, 2014*

H.R. 5170 would amend federal laws regarding the collection, storage, and management of federal records. Specifically, the legislation would establish new procedures for suspending and removing federal employees who destroy federal records. In addition, the bill would change how federal employees can use nonfederal electronic messaging accounts for work and would require evaluations and reports from the Government Accountability Office (GAO) and Inspector Generals (IGs) concerning the use of electronic records. Finally, the bill would require each agency to designate a senior manager for records management and change certain requirements for retaining and storing federal records.

Most of the provisions of the bill would codify and expand current practices of the federal government. Executive Orders and Presidential memoranda have directed the National Archives and Records Administration (NARA) and agencies to update practices for managing government records. For example, the 2012 Managing Government Records Directive (M-12-18) from the Office of Management and Budget requires that all federal agencies electronically manage email records by 2016.

Based on information from the NARA and selected agencies, CBO expects that not all of the 24 federal agencies will meet the timeline specified in the current directive for using electronic systems to manage email records. In order to comply with H.R. 5170, some agencies would need to acquire additional hardware and software for those purposes. In addition, GAO and IGs governmentwide would have additional administrative costs under the bill to report on a regular basis on records management and the retention of electronic mail. CBO estimates those activities would cost about \$20 million over the 2015-2019 period, assuming the appropriation of the necessary amounts.

Because H.R. 5170 would increase civil and criminal fines that are imposed on federal employees who destroy federal records, enacting the legislation could increase federal revenues and associated direct spending, but CBO estimates that such effects would not be significant in any year.

Further, enacting the bill could affect direct spending by agencies not funded through annual appropriations. CBO estimates, however, that any changes in net direct spending by those agencies would be insignificant. Because the bill would affect direct spending and revenues, pay-as-you-go procedures apply.

H.R. 5170 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.

On May 23, 2013, CBO transmitted a cost estimate for H.R. 1234, the Electronic Message Preservation Act, as ordered reported by the House Committee on Oversight and Government Reform on March 20, 2013. Both bills address the preservation, storage, and management of electronic records, contain some similar provisions, and the estimated cost to develop computer systems to manage email records is the same for both bills. H.R. 5170 would increase reporting requirements for federal agencies and this cost estimate reflects that additional cost.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.