



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

November 14, 2014

**S. 1618
Enhanced Security Clearance Act of 2014**

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on July 30, 2014*

S. 1618 would require federal agencies to develop an enhanced personnel security program that would conduct interim reviews of certain types of information (primarily electronic records) between regularly scheduled full background investigations for individuals with security clearances or who hold sensitive positions that might affect national security (some positions are designated as sensitive but do not require security clearances). Based on guidance from the Office of the Director of National Intelligence (ODNI), agencies would be required to check certain types of information—such as criminal, financial, and social media records—not less than twice every five years to ensure the continued suitability of individuals to hold security clearances or to remain in sensitive positions.

Enacting S. 1618 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

Conducting the required checks and incorporating newly acquired information into the security records of employees would increase the costs to certain federal agencies, subject to appropriation of the necessary funds. However, the bill would not require the program to be implemented until the earlier of five years after enactment of the bill or such time as the current backlog in periodic security reinvestigations is eliminated. Periodic reinvestigations are background checks of individuals who have previously had background investigations and are supposed to occur every five years. Because there has been a significant backlog in such investigations for many years, CBO anticipates that the new program would not be implemented until after 2019; therefore, the costs of implementing the bill would be negligible over the 2015-2019 period.

Although CBO does not have enough information to provide a precise estimate of the costs of implementing S. 1618 after 2019, the cost of conducting the kinds of record checks that would be required by the bill and the large number of employees who would probably be affected indicates that those costs would be significant. S. 1618 would require such checks to be completed twice every five years. CBO expects that the records checks would require a level of effort roughly equivalent to that of a basic National Agency check, which is a

check of certain government records, including federal investigative records. Such checks currently cost about \$100 each.

About 5 million people currently hold security clearances and an unknown additional number hold positions that do not require security clearances but are deemed sensitive for the purpose of national security. However, both the ODNI and the Department of Defense (DoD) are developing programs under current law to continually evaluate certain personnel for their fitness to hold security clearances or to remain in sensitive positions. Personnel subject to those programs would be exempted from the checks required under S. 1618. Although no data are available on the number of people the ODNI's program would cover, DoD's program is expected to apply to approximately 1 million employees by the end of 2017. On that basis, the costs of implementing S. 1618 would probably be in the low hundreds of millions of dollars a year after 2019.

S. 1618 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.

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