



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

June 20, 2014

S. 1744

Security Clearance Accountability, Reform, and Enhancement Act

*As reported by the Senate Committee on Homeland Security and Governmental Affairs
on May 21, 2014*

S. 1744 would require the Office of Personnel Management (OPM) to terminate or place on administrative leave any OPM employee that is involved in misconduct involving the security clearance process and debar employees of contractors and subcontractors involved in similar misconduct. Based on information from OPM, CBO estimates that implementing this legislation would have an insignificant cost. Enacting S. 1744 could affect direct spending by agencies not funded through annual appropriations; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net changes in spending by those agencies would be negligible. Enacting the bill would not affect revenues.

A security clearance is a determination that an individual (whether a federal employee or contractor) is eligible for access to classified national security information. A security clearance may be granted only by a federal agency, and generally only upon completion of a background investigation. Most background investigations are overseen by OPM's Federal Investigative Services (actual investigations may be conducted by private investigative firms).

S. 1744 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

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