



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 9, 2014

S. 2741
Intelligence Authorization Act for Fiscal Year 2015

*As reported by the Senate Select Committee on Intelligence
on July 31, 2014*

S. 2741 would authorize appropriations for fiscal year 2015 for intelligence activities of the U.S. government. Because CBO does not provide estimates for classified programs, this estimate addresses only the unclassified aspects of the bill. On that limited basis, CBO estimates that implementing some sections of the bill would cost about \$500 million over the 2015-2019 period, subject to appropriation of the specified amounts. Other sections of the bill would increase costs beyond those amounts, but CBO does not have sufficient information to provide a specific estimate of those additional costs.

Enacting S. 2741 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

Section 104 would authorize appropriations of \$511 million for the Intelligence Community Management Account (ICMA). The ICMA provides the principal source of funding for the Office of the Director of National Intelligence and resources for managing the intelligence agencies. Based on historical spending patterns for the ICMA, CBO estimates that implementing section 104 would cost about \$330 million in fiscal year 2015 and about \$500 million over the 2015-2019 period.

In addition to those costs, implementing S. 2741 would result in discretionary costs for the Department of State. Section 309 would require that every supervisory position at U.S. diplomatic facilities in the Russian Federation be filled by a U.S. citizen who has passed a background check and would require the department to submit a plan to the Congress to lessen its reliance on locally employed staff. Section 310 would require that diplomatic facilities in the Russian federation and certain other countries that are constructed or upgraded contain a secure area with restricted access. Implementing those provisions would increase costs at certain facilities, potentially by tens of millions of dollars over the 2015-2019 period, but CBO does not have sufficient information—such as the number of personnel affected or the department’s plans to build or upgrade facilities—to provide a specific estimate of those additional costs. Furthermore, the bill would allow the department to waive or delay those requirements and CBO does not know to what extent the department would use that flexibility.

Section 201 would authorize the appropriation of \$514 million for the Central Intelligence Agency Retirement and Disability System for both fiscal years 2014 and 2015 (CIARDS). Appropriations to CIARDS are considered mandatory and fund various unfunded liabilities of the system. However, because the amounts authorized are the same as the amounts projected in the CBO baseline, CBO does not ascribe any additional cost to this provision.

S. 2741 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, 2014, CBO transmitted a cost estimate for H.R. 4681, the Intelligence Authorization Act for Fiscal Years 2014 and 2015, as ordered reported by the House Permanent Select Committee on Intelligence on May 22, 2014. Based on the difference in the authorization level for the ICMA in the bills, CBO estimates S. 2741 would result in slightly higher outlays than H.R. 4681. Overall, CBO estimates the cost of both bills' provisions related to the ICMA would be approximately \$500 million over the 2015-2019 period, assuming the appropriation of the authorized amounts.

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