



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 8, 2015

H.R. 2596 **Intelligence Authorization Act for Fiscal Year 2016**

*As ordered reported by the House Permanent Select Committee on Intelligence
on June 4, 2015*

SUMMARY

H.R. 2596 would authorize appropriations for fiscal 2016 for intelligence activities of the U.S. government, for the Intelligence Community Management Account (ICMA), and for the Central Intelligence Agency Retirement and Disability System (CIARDS).

CBO does not provide estimates for classified programs; therefore, this estimate addresses only the unclassified aspects of the bill. On that limited basis, CBO estimates that implementing the unclassified provisions of the bill would cost about \$660 million over the 2016-2020 period, subject to appropriation of the specified and estimated amounts. Enacting H.R. 2596 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COSTS TO THE FEDERAL GOVERNMENT

The estimated budgetary effects of H.R. 2596 are shown in the following table. The costs of this legislation fall within budget function 050 (national defense).

	By Fiscal Year, in Millions of Dollars					2016- 2020
	2016	2017	2018	2019	2020	
SPENDING SUBJECT TO APPROPRIATION						
Intelligence Community Management Account						
Authorization Level	502	0	0	0	0	502
Estimated Outlays	326	141	18	8	3	496
National Cyber Threat Intelligence Integration Center						
Estimated Authorization Level	35	36	37	38	39	185
Estimated Outlays	23	33	35	37	38	166
Total						
Estimated Authorization Level	537	36	37	38	39	687
Estimated Outlays	349	174	53	45	41	662

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 2596 will be enacted near the beginning of fiscal year 2016, that the specified and estimated amounts will be appropriated, and that outlays will follow historical spending patterns for existing or similar programs.

Intelligence Community Management Account

Section 104 would authorize an appropriation of nearly \$502 million for fiscal year 2016 for the ICMA. That amount is about one percent less than the amount appropriated for that account for fiscal year 2015. The ICMA is the principal source of funding for the Office of the Director of National Intelligence (ODNI) and for managing the intelligence agencies. Assuming appropriation of the specified amount, CBO estimates that implementing section 104 would cost \$496 million over the 2016-2020 period.

National Cyber Threat Intelligence Integration Center

Section 309 would establish a National Cyber Threat Intelligence Integration Center (CTIIC) that would be responsible for analyzing, integrating, and disseminating intelligence on cyber threats within the federal government. In February of this year, based on authority in current law to establish intelligence centers, the President announced his intention to establish a CTIIC within the ODNI; however, the process for establishing and creating that operational center has not been completed. H.R. 2596 would require such a center to have a maximum of 50 permanent positions. CBO estimates, based on publicly available information regarding the planned center, the personnel ceiling in H.R. 2596, and

budget data from the Office of Management and Budget, that implementing this provision would cost approximately \$166 million over the 2016-2020 period, assuming appropriation of the estimated amounts.

Central Intelligence Agency Retirement and Disability System

Section 201 would authorize the appropriation of \$514 million for CIARDS for fiscal year 2016 to maintain the proper funding level for operating that retirement and disability system. Appropriations to CIARDS are treated as direct spending in the budget. Because the amounts authorized to be appropriated are the same as the amounts projected in CBO's baseline, CBO does not ascribe any additional cost to this provision.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2596 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On April 13, 2015, CBO transmitted a cost estimate for H.R. 1560, the Protecting Cyber Networks Act, as ordered reported by the House Permanent Select Committee on Intelligence on March 26, 2015. Section 309 of H.R. 2596 is similar to section 4 of H.R. 1560; both sections would establish a CTIIC within the ODNI. CBO's estimated costs for establishing a CTIIC are the same.

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