



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 4, 2015

H.R. 3584 **Transportation Security Administration Reform and Improvement Act of 2015**

*As ordered reported by the House Committee on Homeland Security
on September 30, 2015*

SUMMARY

H.R. 3584 would specify a variety of requirements related primarily to aviation security programs implemented by the Transportation Security Administration (TSA). The bill would modify TSA programs for screening air passengers, vetting certain employees with access to secure areas of airports, conducting maintenance of screening equipment, and would require various administrative analyses and reports.

CBO estimates that implementing H.R. 3584 would cost \$21 million over the 2016-2020 period, assuming appropriation of the necessary amounts. Enacting H.R. 3584 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

Enacting H.R. 3584 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2026.

H.R. 3584 would impose an intergovernmental and private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) on airport authorities that issue badges to people authorized to work at airports. Based on information from TSA and groups representing airport authorities, CBO estimates that the cost to both public and private airports of complying with the mandate would be small and well below the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$77 million and \$154 million, respectively in 2015, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 3584 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					2016- 2020
	2016	2017	2018	2019	2020	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	13	2	2	2	2	21
Estimated Outlays	7	7	3	2	2	21

BASIS OF ESTIMATE

H.R. 3584 would amend provisions of law that govern TSA’s authority to carry out security-related activities and would specify new requirements, particularly related to programs to screen air passengers and oversee other security measures at airports. According to the agency, many of the bill’s provisions would effectively codify existing programs, but some provisions would require TSA to undertake new efforts that would increase federal costs. Such provisions would direct TSA to:

- Expand enrollment in the PreCheck program, through which air travelers voluntarily apply to be prescreened using biographic and biometric information to determine whether they qualify for expedited screening at airport security checkpoints;
- Conduct a pilot program to establish an automated, biometric-based system to verify the identity of travelers enrolled in the PreCheck program;
- Establish an automated system at all large hub airports to verify travel documents of passengers not enrolled in the PreCheck program;
- Expand efforts to improve the effectiveness of the Secure Flight Program, through which TSA compares air passengers’ names to lists of trusted travelers and watchlists to identify low and high-risk passengers;
- Implement a pilot program to evaluate the feasibility of contracting with private firms for explosives-detection services involving canine teams; and,
- Enhance procedures for vetting airport workers by expanding efforts to share data and terrorist-related information among federal agencies responsible for intelligence and law enforcement.

Based on information from TSA about the costs of existing and similar security-related activities, CBO estimates that implementing new requirements under H.R. 3584 would cost \$21 million over the 2016-2020 period, assuming appropriation of the necessary amounts. That estimate includes \$6 million specifically authorized for the pilot program related to canine teams detecting explosives, \$5 million in estimated one-time costs for equipment and other upfront costs associated with expanding the use of biometric-based screening and the automated capacity of the Secure Flight program, and \$2 million in increased annual costs over the 2016-2020 period for additional personal and administrative expenses required to maintain expanded efforts under the bill.

In addition, CBO expects that the proposed expansion of TSA's PreCheck program, while largely consistent with current administrative policy, could involve additional costs by increasing the number of passengers that apply for prescreening services under the bill. Because such passengers pay fees to offset TSA's costs of providing such services, CBO estimates that any net changes in federal spending related to increased credentialing activities (which would be subject to provisions in annual appropriation acts) would not be significant in any year.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 3584 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2026.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3584 would impose an intergovernmental and private-sector mandate as defined in UMRA on airport authorities that issue badges to people authorized to work at airports. The bill would require those authorities to set the expiration of badges for noncitizen employees to correspond with the employee's temporary authorization to work in the United States.

Under current law, badges must expire at least every two years. This bill would require airport authorities to change practices for the issuance of badges to match the expiration dates for those employees. According to information from TSA and groups representing airport authorities, the proportion of employees with temporary work authorization is small. Because current law requires the issuing agent to include expiration dates on the

badges, CBO expects that the requirement to align the expiration date with work authorization would only require small changes to existing policies and practices.

Consequently, CBO estimates that the additional cost to both public and private airports of complying with the mandate would fall well below the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$77 million and \$154 million, respectively in 2015, adjusted annually for inflation).

PREVIOUS CBO ESTIMATES

H.R. 3584 contains several provisions that are similar to other bills for which CBO has transmitted estimates. In all cases, our estimates of the budgetary effects are the same. In particular:

- Section 101 of H.R. 3584 is similar to [H.R. 2843, the TSA PreCheck Expansion Act](#), as ordered reported by the House Committee on Homeland Security on June 25, 2015, for which CBO transmitted an estimate on July 17, 2015;
- Section 103 of H.R. 3584 is similar to [H.R. 2127, the Securing Expedited Screening Act](#), as ordered reported by the House Committee on Homeland Security on June 25, 2015, for which CBO transmitted an estimate on July 17, 2015;
- Section 108 of H.R. 3584 is similar to [H.R. 2770, the Keeping our Travelers Safe and Secure Act](#), as ordered reported by the House Committee on Homeland Security on June 25, 2015, for which CBO transmitted an estimate on July 17, 2015;
- Section 109 of H.R. 3584 is similar to [H.R. 2750, the Improved Security Vetting for Aviation Workers Act of 2015](#), as ordered reported by the House Committee on Homeland Security on June 25, 2015, for which CBO transmitted an estimate on July 24, 2015;
- Section 110 of H.R. 3584 is similar to [H.R. 3144, the Partners for Aviation Security Act](#), as ordered reported by the House Committee on Homeland Security on September 30, 2015, for which CBO transmitted an estimate on October 16, 2015; and
- Section 202 of H.R. 3584 is similar to [H.R. 719, the TSA Office of Inspection Accountability Act of 2015](#), as ordered reported by the Senate Committee on Commerce, Science, and Transportation on February 26, 2015, for which CBO transmitted an estimate on March 18, 2015.

ESTIMATE PREPARED BY:

Federal Costs: Megan Carroll

Impact on State, Local, and Tribal Governments: Melissa Merrell

Impact on the Private Sector: Amy Petz

ESTIMATE APPROVED BY:

H. Samuel Papenfuss

Deputy Assistant Director for Budget Analysis