



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 9, 2016

H.R. 5709 **Federal Records Modernization Act of 2016**

*As ordered reported by the House Committee on Oversight and Government Reform
on July 12, 2016*

H.R. 5709 would amend federal laws regarding the management of federal records. Specifically, the legislation would establish new procedures for suspending and removing federal employees who inappropriately destroy federal records, modify federal employees' authority to use nonfederal accounts for electronic messaging for work purposes, and require the Government Accountability Office (GAO) and Inspector Generals (IGs) to prepare evaluations and reports concerning the use of electronic records. H.R. 5709 also would require each federal agency to designate a senior official to oversee records management including requirements for retaining and storing those records. Finally, under H.R. 5709, the federal government would no longer require that the *Federal Register* and the *Code of Federal Regulations* (CFR) be made available in hard copy.

Most of the provisions of the bill would codify and expand current practices of the federal government. For example, the Federal Records Act requires each agency to make and preserve records of its activities, and executive orders and Presidential memoranda have directed all agencies, including the National Archives and Records Administration (NARA), to better manage their records.

Based on information from the NARA, the Government Printing Office, and selected agencies, CBO expects that agencies, GAO, and IGs governmentwide would incur additional administrative costs under H.R. 5709 totaling less than \$40,000 annually per agency, primarily to meet the bill's reporting requirements. In total, CBO estimates those activities would cost about \$5 million over the 2017-2021 period; most such spending would be subject to appropriation. CBO expects that enacting the bill would not significantly affect costs to print the *Federal Register* and the *CFR* since most spending related to those documents stems from preparing content, not printing and duplication.

In addition, H.R. 5709 would increase both direct spending and revenues; therefore, pay-as-you-go procedures apply. In particular, the bill could affect administrative costs of agencies not funded through annual appropriations, but CBO expects that any resulting increases in direct spending would be insignificant. In addition, H.R. 5709 could increase revenues from civil and criminal fines that are imposed on federal employees who

improperly destroy federal records. Because relatively few cases would probably arise, CBO estimates that any increase in revenues and associated direct spending would not be significant in any year.

CBO estimates that enacting H.R. 5709 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 5709 would not impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no cost on state, local, or tribal governments.

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