



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 21, 2015

### **S. 434** **Security Clearance Accountability, Reform, and** **Enhancement Act of 2015**

*As ordered reported by the Senate Committee on Homeland Security and  
Governmental Affairs on May 6, 2015*

S. 434 would amend federal law to reform the security clearance process. A security clearance is a determination that a federal employee or contractor is eligible for access to classified national security information. The bill would require all federal agencies to terminate or place on administrative leave any employee that is involved in misconduct involving the security clearance process and prohibit employees of contractors and subcontractors involved in similar misconduct from performing background investigations. S. 434 also would prevent security clearance contractors from reviewing and approving their own background investigations.

Based on information from the Office of Personnel Management, which oversees the private firms that conduct the majority of investigations needed for security clearances, most of the provisions of the legislation would codify and expand current federal policies and practices regarding security clearances. Therefore, CBO estimates that implementing this legislation would have an insignificant cost. Enacting S. 434 could affect direct spending by some agencies (such as the Tennessee Valley Authority) because they are authorized to use receipts from the sale of goods, fees, and other collections to cover their operating costs. Therefore, pay-as-you-go procedures apply. Because most of those agencies can adjust the amounts they collect, CBO estimates that any net changes in direct spending by those agencies would not be significant. Enacting the bill would not affect revenues.

S. 434 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.

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