



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 18, 2017

### **H.R. 3180** **Intelligence Authorization Act for Fiscal Year 2018**

*As ordered reported by the House Permanent Select Committee on Intelligence  
on July 13, 2017*

#### **SUMMARY**

H.R. 3180 would authorize appropriations for fiscal year 2018 for intelligence activities of the U.S. government, the Intelligence Community Management Account (ICMA), and the Central Intelligence Agency Retirement and Disability System (CIARDS). The bill also would modify other programs across the intelligence community.

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 \$520 million over the 2018-2022 period, subject to appropriation of the specified amounts.

In addition, enacting the bill also would affect direct spending by making changes to CIARDS that would enhance the benefits offered to certain annuitants; therefore, pay-as-you procedures apply. However, CBO estimates that those effects would be less than \$500,000 over the 2018-2027 period.

CBO estimates that enacting H.R. 3180 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 3180 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 COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary effect of H.R. 3180 is shown in the following table. The costs of this legislation fall within budget function 050 (national defense).

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By Fiscal Year, in Millions of Dollars							2017-
2017	2018	2019	2020	2021	2022	2022	

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**INCREASES IN SPENDING SUBJECT TO APPROPRIATION**

Intelligence Community Management  
Account

Authorization Level	0	527	0	0	0	0	527
Estimated Outlays	0	343	148	18	8	3	520

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Note: In addition to the budgetary effects shown above, enacting H.R. 3180 would increase direct spending by less than \$500,000 over the 2018-2027 period.

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**BASIS OF ESTIMATE**

For this estimate, CBO assumes that H.R. 3180 will be enacted by the end of 2017, that the specified amounts will be appropriated, and that outlays will follow historical spending patterns for existing or similar programs.

**Spending Subject to Appropriation**

H.R. 3180 would authorize appropriations for the ICMA for fiscal year 2018 and would make other changes.

**Intelligence Community Management Account.** Section 104 would authorize the appropriation of \$527 million for fiscal year 2018 for the ICMA. That amount is about 2 percent higher than the \$516 million appropriated for that account for fiscal year 2017. The ICMA is the principal source of funding for the Office of the Director of National Intelligence and for managing the intelligence agencies. CBO estimates that implementing section 104 would cost \$520 million over the 2018-2022 period.

**Defense Intelligence Agency Responsibilities.** Section 412 would require certain functions currently performed by the Defense Intelligence Agency (DIA) to be transferred to the Director of National Intelligence or other elements within the Department of Defense. The bill also would eliminate other responsibilities of the DIA. On the basis of information about the number of personnel currently performing the activities that would be affected by this section, CBO estimates that once those activities are transferred, only a small number of them would need to move from their current work location to another location within the National Capital Region. Any costs incurred from those moves, however, would be offset by the savings from the day-to-day operating budgets of the

eliminated functions. On net, CBO estimates that implementing this section would have a negligible effect on spending subject to appropriation over the 2018-2022 period.

### **Direct Spending**

H.R. 3180 would make changes to CIARDS that would enhance the benefits offered to certain annuitants and authorize appropriations for 2018.

**CIARDS Benefits Adjustments.** Section 202 would make a number of changes to CIARDS to align the benefits offered to employees, retirees, or survivors under CIARDS with the benefits currently offered to employees, retirees, or survivors under the Civil Service Retirement System. For example, the bill would alter the way retirement benefits are calculated for employees who worked for the CIA before April, 7, 1986, and, at some point during their career, worked on a part-time basis. The bill also would allow married employees retiring under CIARDS after enactment to provide a survivor annuity to someone with an insurable interest. (An insurable interest exists when an individual derives financial benefit from the retiring employee continuing to be alive.) On the basis of information from the CIA, CBO estimates that only a small number of individuals would benefit from the changes in section 202 and that the net increase in direct spending from enacting the section would be less than \$500,000 over the 2018-2027 period.

**CIARDS Fund Payment.** Section 201 would authorize the appropriation of \$514 million for CIARDS for fiscal year 2018 to maintain the proper funding level for operating that retirement and disability system. Appropriations to CIARDS are treated as direct spending in the budget and are projected to continue in CBO's baseline. Therefore, CBO does not ascribe any additional cost to enacting this provision.

### **INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS**

CBO estimates that enacting H.R. 3180 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

### **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 3180 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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