

At a Glance

S. 1589, Damon Paul Nelson and Matthew Young Pollard Intelligence Authorization Act for Fiscal Years 2018, 2019, and 2020

As reported by the Senate Select Committee on Intelligence on May 22, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	4	10
Revenues	0	0	0
Deficit Effect	0	4	10
Spending Subject to Appropriation (Outlays)	0	6,062	not estimated
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	< \$5 billion	Contains intergovernmental mandate?	Yes, Under Threshold
		Contains private-sector mandate?	No

The bill would

- Modify the process for granting security clearances to federal employees and contractors
- Authorize the appropriation of \$558 million for fiscal year 2020 for the Intelligence Community Management Account (ICMA)
- Make several changes to pay and benefits for civilian employees of the intelligence community
- Authorize the Director of National Intelligence to provide grants or to enter contracts for analyzing information found on social media platforms
- Authorize the appropriation of \$11.5 million to identify security weaknesses in critical infrastructure
- Preempt state and local laws that would otherwise require governmental agencies participating in a new pilot program to disclose information about their activities, such as sharing cybersecurity information.

Estimated budgetary effects would primarily stem from

- Establishing timeliness goals for completing initial secret and top secret clearances
- Authorizing amounts to be appropriated for the ICMA
- Enhancing benefits for employees of the intelligence community
- Paying for analysis of information found on social media platforms
- Authorizing appropriations for a program to identify security weaknesses in critical infrastructure

Areas of significant uncertainty include

- Anticipating the manner in which the Administration would implement changes to the security clearance process
- Estimating the number of employees of the intelligence community who would benefit from the expansion of personnel benefits

Detailed estimate begins on the next page.

Bill Summary

S. 1589 would authorize appropriations for fiscal years 2019 and 2020 for intelligence activities of the U.S. government, including the Intelligence Community Management Account and the Central Intelligence Agency Retirement and Disability System (CIARDS). The bill also would modify the security clearance process for federal agencies, expand personnel benefits for employees of the intelligence community, and create or modify other intelligence programs.

CBO does not provide estimates for classified programs; therefore, this estimate addresses only the unclassified aspects of the bill. In addition, CBO cannot provide estimates for certain provisions in the unclassified portion of the bill because they concern classified programs. On that limited basis, CBO estimates that implementing the unclassified provisions of the bill would cost about \$6.1 billion over the 2020-2024 period; that spending would be subject to appropriation of the specified and estimated amounts.

In addition, several provisions of the bill would increase and decrease direct spending; therefore, pay-as-you-go procedures apply. CBO estimates that the bill would increase net direct spending by \$10 million over the 2020-2029 period. Enacting the bill would not affect revenues.

CBO estimates that enacting S. 1589 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2030.

S. 1589 would impose an intergovernmental mandate, as defined in the Unfunded Mandates Reform Act (UMRA), on state, local, and tribal governments, but CBO estimates that it would impose no duty on those governments that would result in additional spending or a loss of revenues.

S. 1589 contains no private-sector mandates as defined in UMRA.

Estimated Federal Cost

The estimated budgetary effect of S. 1589 is shown in Table 1. The costs of the legislation fall within all budget functions that fund security and suitability investigations.

Basis of Estimate

For this estimate, CBO assumes that S. 1589 will be enacted near the beginning of fiscal year 2020. Outlays are based on historical spending patterns for existing or similar programs.

Spending Subject to Appropriation

CBO estimates that implementing the bill would cost about \$6.1 billion over the 2020-2024 period. Such spending would be subject to appropriation of the estimated and specified amounts.

Table 1. Estimated Increases in Spending Subject to Appropriation Under S. 1589

	By Fiscal Year, Millions of Dollars ^a						2019-2024
	2019	2020	2021	2022	2023	2024	
Spending Subject to Appropriation							
Security Clearances							
Estimated Authorization Level	0	416	845	1,340	1,355	1,405	5,361
Estimated Outlays	0	366	805	1,280	1,365	1,405	5,221
Intelligence Community Management Account							
Authorization Level	0	558	0	0	0	0	558
Estimated Outlays	0	363	156	20	8	3	550
Pay and Benefits							
Estimated Authorization Level	0	5	38	52	54	57	206
Estimated Outlays	0	4	37	51	54	57	203
Social Media Analysis							
Estimated Authorization Level	0	15	15	15	16	16	77
Estimated Outlays	0	10	14	15	15	16	70
Energy Infrastructure							
Authorization Level	0	12	0	0	0	0	12
Estimated Outlays	0	4	6	2	0	0	12
Assessments and Briefings							
Estimated Authorization Level	0	5	*	*	*	*	6
Estimated Outlays	0	5	*	*	*	*	6
Total							
Estimated Authorization Level	0	1,011	898	1,407	1,425	1,478	6,220
Estimated Outlays	0	752	1,018	1,368	1,442	1,481	6,062

Components may not sum to totals because of rounding; * = between zero and \$500,000.

a. In addition to the budgetary effects shown above, enacting S. 1589 would increase net direct spending by \$10 million over the 2020-2029 period.

Security Clearances. Section 604 of the bill would require the Security, Suitability, and Credentialing Performance Accountability Council (the Council) to achieve the following performance goals by December 31, 2021:¹

- Issue 90 percent of initial determinations for secret and top secret clearances within 30 and 90 days, respectively;

1. The Security, Suitability, and Credentialing Performance Accountability Council was established by Executive Order 13467, as amended, to oversee reform of the federal government’s system for determining the eligibility of individuals to access classified information, hold sensitive positions (positions in which an individual could affect national security or trust in the federal government regardless of whether the individual has access to classified information), and gain physical or logical access to federal facilities or information systems.

- Accept 90 percent of security clearances for employees moving between federal agencies within two weeks if the clearances are equivalent; and
- Reinvestigate not more than 10 percent of all clearance holders at set intervals.

The bill also would make additional changes to the process governing security clearances. It would require the Security Executive Agent to establish a panel to review agency decisions to revoke or deny security clearances. It would require federal agencies to create electronic portals through which employees can learn the status of their security clearance investigations. Finally, the bill would require the Council, the Director of National Intelligence, and other federal entities to develop plans, policies, and strategies, to perform reviews, and to prepare reports on different aspects of the security clearance process. In total, CBO estimates that implementing those provisions would cost about \$5.2 billion over the 2020-2024 period.

Timeliness. Current law sets a goal of completing 90 percent of security-clearance determinations within an average of 60 days from the date that the completed application is received. The Administration only applies that timeliness standard to initial determinations for secret clearances and has adopted other standards for top secret clearances and periodic reinvestigations. The current timeliness goals for the fastest 90 percent of security-clearance determinations are:

- An average of 60 days for initial secret clearances (40 days to complete the investigative phase and 20 days to complete the adjudicative phase),
- An average of 100 days for initial top secret clearances (80 days to complete the investigative phase and 20 days to complete the adjudicative phase), and
- An average of 180 days for periodic reinvestigations regardless of clearance level (150 days to complete the investigative phase and 30 days to complete the adjudicative phase).

Those goals, whether determined by statute or policy, however, currently are not being met. At the end of May 2019, the backlog of pending cases totaled 433,000. CBO estimates that the Administration will spend about \$1.5 billion on all investigative services and another \$0.1 billion on adjudicative services in 2019. With that backlog, and under those resource levels, the average time it took to complete the investigative and adjudicative phases for the fastest 90 percent of clearances at the end of May 2019 was:

- 169 days for initial secret clearances (139 days to complete the investigative phase and 30 days to complete the adjudicative phase).
- 338 days for initial top secret clearances (296 days to complete the investigative phase and 42 days to complete the adjudicative phase).

- 425 days for periodic reinvestigations (325 days to complete the investigative phase and 100 days to complete the adjudicative phase).

In order to meet the 30 and 90-day requirements of section 604, the National Background Investigations Bureau (NBIB) must first reduce the backlog to a level that would allow the federal government to meet the existing investigative and adjudicative processing goals. The bureau has been steadily expanding its workforce and reports that it expects to reduce the backlog to a manageable level in a couple of years. Concurrently, as NBIB works to reduce the backlog, the bureau's background-investigation program is being transferred to the Department of Defense (DoD).²

CBO expects that the current and upcoming initiatives will continue to reduce the backlog as planned and allow the current timeliness goals to be met by 2022. We also assume that the transfer of NBIB's responsibilities to DoD will be completed as planned.

The difference between the current timeliness goals and those prescribed by the bill is significant. The current structure establishes goals for an average processing time for the fastest 90 percent of cases. By contrast, the bill would establish maximum processing times for the fastest 90 percent of cases. Those targets would be significantly shorter than the current average processing times. Taking that into consideration, we estimate that the capacity to investigate and adjudicate initial secret and top secret clearances would need to increase by about 200 percent and 67 percent, respectively, to meet the faster processing requirements of section 604. For 2019, CBO estimates that the executive branch will spend about \$0.4 billion and \$0.6 billion on investigating and adjudicating initial secret clearances and initial top secret clearances, respectively. Thus, spending on those activities would ultimately need to increase by about \$1.2 billion annually. Under section 604, DoD would have three years to hire and train the necessary number of investigators and adjudicators to meet the prescribed timeliness goals in fiscal year 2022. Accounting for that implementation phase, CBO estimates that it would cost about \$0.4 billion in 2020 and about \$5.2 billion over the 2020-2024 period.

Secure Internet Portals. Section 313 of division A would require federal agencies to create by December 31, 2023, systems that would allow their employees to check the status of their applications for security clearances. CBO expects that those systems would need to be secure to protect personal information about employees. Thus, each agency would need to manage access to the system and ensure that the system is able to authenticate users. On the basis of information from the Council, CBO estimates that about 50 departments and agencies would be required to develop such a system. Using information about the development of similar systems, CBO estimates that it would cost each of those departments and agencies about

2. Section 925 of Public Law 115-91, the National Defense Authorization Act for Fiscal Year 2018, authorized DoD to conduct security, suitability, and credentialing background investigations for DoD personnel. The Administration has since decided to transfer NBIB's investigation program to DoD. Executive Order 13869, signed April 24, 2019, makes the newly formed Defense Counterintelligence and Security Agency of DoD responsible for conducting background investigations for the federal government.

\$500,000 on average to create a secure system; thus, implementing section 313 would cost \$25 million over the 2020-2024 period.

Appeals Process for Denied or Revoked Security Clearances. Section 311 of division A would expand the process through which individuals may appeal the revocation or denial of their security clearances. Specifically, section 311 would require the Security Executive Agent to establish a panel to review decisions made by agencies to revoke or deny security clearances. If the panel determines that an agency violated an individual's rights or that the decision to revoke or deny an individual's clearance was based on an improperly conducted review by the agency, the panel would vacate the agency's decision and send the case back to the agency for a new review. If an agency subsequently determines that it wrongfully denied or revoked an individual's clearance, it would be required under section 311 to take corrective action to return the person to the position they would have held if the improper denial or revocation had not occurred. Such corrective action also may include a compensation payment of up to \$300,000 for any lost wages or benefits, or expenses otherwise incurred.

CBO estimates that it would take about two dozen full-time employees each year to staff and run the new panel. Salaries for those employees and other operating expenses of the panel would cost \$25 million over the 2020-2024 period.

In addition to the increases in spending subject to appropriation described above, enacting section 311 of division A also would affect direct spending. Those effects are described in the "Direct Spending" section of this estimate.

Administrative Costs. S. 1589 would require federal entities to develop policies, perform assessments, and prepare reports on several aspects of the security-clearance process. For entities in the intelligence community, CBO expects that the administrative costs of those requirements would be covered by the amounts authorized to be appropriated in the classified annex and for the Intelligence Community Management Account (ICMA). For federal entities that are not part of the intelligence community, CBO estimates total costs of \$1 million over the 2020-2024 period.

Periodic Reinvestigations. Section 604 would encourage the Council to limit reinvestigations conducted on the schedules set by the Administration to not more than 10 percent of all clearance holders. In 2017, about 4 million individuals held security clearances, and this provision would require the federal government to use methods other than periodic reinvestigations on about 3.6 million of them to ensure that they remain eligible to access classified information. CBO expects that the method used to replace periodic reinvestigations would include, but not be limited to, the use of automated records checks.

Any costs or savings realized by using automated records checks as part of a larger effort to replace periodic investigations would depend on the frequency (e.g. daily, weekly, monthly, annually) with which they are conducted and the methods used to obtain information they cannot provide. Because CBO does not know how the Council would implement this provision, we cannot estimate its effects on spending.

Effect on Agencies Not Funded by Annual Appropriations. While most agencies are funded by annual appropriations, some agencies are authorized to spend monies collected from other sources, such as user fees. In addition to the increases in spending subject to appropriation described above, any increase in costs to process security clearances and satisfy the requirements of S. 1589 incurred by those agencies would be considered direct spending. Those effects are described in the “Direct Spending” section of this estimate.

Intelligence Community Management Account. Section 103 of division A would authorize the appropriation of \$558 million for fiscal year 2020 for the ICMA. That account is the principal source of funding for the Office of the Director of National Intelligence and for coordinating the intelligence activities of the federal government. CBO estimates that implementing section 103 would cost about \$550 million over the 2020-2024 period, subject to appropriation of the authorized amount.

Pay and Benefits. Several provisions in S. 1589 would expand pay and benefits offered to employees of the intelligence community. In total, CBO estimates that implementing those provisions would cost \$203 million over the 2020-2024 period.

Paid Parental Leave. Section 307 of division A would provide 12 weeks of paid leave to employees of the intelligence community following the birth or adoption of a child or the initial placement of a foster child. Such leave would be available during the 12-month period beginning on the date of the child’s birth or placement. The Director of National Intelligence would have 15 months from the date of enactment of the bill to implement the new leave program. Employees of the intelligence community would become entitled to paid leave for the birth or placement of a child that occurs on or after the date of such implementation.

Under current law, federal employees are entitled to up to 12 weeks of leave without pay after the birth or adoption of a child or the initial placement of a foster child. Employees may get paid during that 12-week period by using any annual or sick leave that they have accrued. The leave provided by this bill would be in addition to any leave available to, or taken by, those employees during the 12-week period provided by the Family and Medical Leave Act (FMLA). CBO expects that employees entitled to paid leave provided under S. 1589 would substitute that leave for annual or sick leave they otherwise would have taken during the 12-week FMLA leave period.

CBO estimates that implementing section 307 would cost \$173 million over the 2020-2024 period. Because the exact number of employees in each element of the intelligence community is classified, CBO relied on publicly available information about the amounts

appropriated to DoD and the intelligence community, as well as the number of people employed by DoD as the basis of this estimate.

In addition to the increases in spending subject to appropriation described above, enacting section 307 of division A also would affect direct spending. Those effects are described in the “Direct Spending” section of this estimate.

Voluntary Separation Incentive Payments (VSIP). Section 202 of division A would increase, to \$40,000, the maximum amount of lump-sum payments that the Central Intelligence Agency (CIA) can offer to employees as an incentive to voluntarily separate from federal service earlier than they otherwise would. In addition, that new maximum amount would rise annually with inflation, reaching \$45,000 by 2024, CBO estimates. Under current law, the CIA is authorized to make separation payments of no more than \$25,000. The proposed changes would increase federal spending for voluntary separations by raising the costs of separations that would have occurred under current law and by inducing more people to voluntarily separate from federal service.

In total, CBO estimates that implementing section 202 would cost \$20 million over the 2020-2024 period. Because the exact number of employees in each element of the intelligence community is classified, CBO relied on publicly available information about the amounts appropriated to DoD and the intelligence community, the number of people employed by DoD, as well as historical information on the use of VSIP authorities by federal agencies as the basis of this estimate.

In addition to the increases in spending subject to appropriation described above, enacting section 202 of division A also would affect direct spending as some employees would retire sooner than they would have under current law. The cost of those early retirements are discussed under the heading “Direct Spending.”

National Security Agency (NSA) Pay Authority. Section 303 of division B would authorize the NSA to establish higher pay rates for employees in cybersecurity positions at the agency. In general, the rates of pay established under that authority could not exceed the rate of basic pay for level II of the Executive Schedule (\$192,300, in 2019); however, in certain circumstances, up to 100 NSA employees at any given time could receive up to the rate of basic pay for the Vice President of the United States (\$246,900, in 2019).

On the basis of information from DoD, CBO estimates that about two to three dozen employees would receive an average of \$15,800 more in compensation in fiscal year 2020 under section 303. That estimate is based on CBO’s expectation that the new pay rates would take effect six months following enactment (halfway into the fiscal year) to allow NSA time to develop and apply those higher rates of pay. After accounting for annual pay increases and the expectation that NSA would expand its use of this authority over time, CBO estimates that by 2024 the average increase in annual compensation would be about \$35,100 and the

number of NSA employees receiving such increases would double. Thus, CBO estimates that increasing pay for those NSA employees would cost \$8 million over the 2020-2024 period. *National Intelligence University (NIU) Pay Authority*. Section 744 would authorize the NIU to establish a separate pay schedule for its faculty members. Under current law, university faculty are paid under the Defense Civilian Intelligence Personnel System (DCIPS). On the basis of information from DoD, CBO expects that some current faculty members, as well as all new faculty members could benefit from higher rates of pay established under this authority.

Under the DCIPS pay schedule, faculty members receive salary increases based on longevity. The university is not able to offer faculty members higher salaries for credentials such as academic achievement. CBO expects that the NIU would offer higher rates of pay to attract and retain individuals with the qualifications necessary to teach at the university. Those instances, however, would occur infrequently because turnover is low among faculty at the NIU. Thus, CBO estimates that by 2024 fewer than two dozen new faculty members would receive higher salaries under this authority. Assuming similar increases in total compensation estimated above for section 303 of division B, CBO estimates that implementing this section would cost \$2 million over the 2020-2024 period.

Social Media Analysis. Section 404 of division A would authorize the appropriation of \$30 million over the 2020-2021 period for the Director of National Intelligence to provide grants to or enter contracts with an independent, nonprofit organization to detect, analyze, and counter foreign influence operations on social media platforms. CBO estimates that implementing section 404 would cost \$70 million over the 2020-2024 period: \$24 million over the 2020-2021 period and about \$15 million each year thereafter, adjusted annually for inflation, to pay for those efforts after 2021.

Energy Infrastructure. Section 742 would authorize the appropriation of \$10 million for the Department of Energy (DOE) to carry out a pilot program to identify security weaknesses in critical infrastructure (for example, power generation, transmission, and distribution systems) that could result in debilitating effects on national security, economic security, public health, or safety. DOE, in partnership with participating owners and operators of such infrastructure, would evaluate technologies and standards that could be used to defend those assets.

Section 742 also would authorize the appropriation of \$1.5 million for DOE to establish a working group to evaluate the technologies and standards assessed during the pilot program. The working group also would be required to develop a national engineering strategy to be used to protect the nation's critical infrastructure from security vulnerabilities.

CBO estimates that implementing section 742 would cost \$11.5 million over the 2020-2024 period.

Assessments and Briefings. Division B of the bill would require several agencies to complete more than 60 reports and assessments and to provide them to the Congress. On the basis of the costs of similar activities, satisfying those requirements would cost \$6 million over the 2020-2024 period, CBO estimates.

Direct Spending

S. 1589 would enhance pay and benefits for employees of the intelligence community, authorize payments of up to \$300,000 to compensate individuals whose security clearances were wrongfully denied or revoked, extend workers’ compensation benefits to certain private-sector employees, and, enhance the benefits offered to certain annuitants of the Central Intelligence Agency Retirement and Disability System. The bill also would affect spending by agencies not funded through annual appropriations. Excluding provisions related to classified programs, CBO estimates that enacting S. 1589 would increase net direct spending by \$10 million over the 2020-2029 period (see Table 2).

Table 2. Estimated Increases in Direct Spending Under S. 1589

	By Fiscal Year, Millions of Dollars											2019-2024	2019-2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029			
Increases in Direct Spending														
Voluntary Separation Incentive Payments														
Estimated Budget Authority	0	*	1	1	1	1	1	1	1	1	1	1	4	9
Estimated Outlays	0	*	1	1	1	1	1	1	1	1	1	1	4	9
Security Clearances														
Estimated Budget Authority	0	*	*	*	*	*	*	*	*	*	*	*	*	1
Estimated Outlays	0	*	*	*	*	*	*	*	*	*	*	*	*	1
Total														
Estimated Budget Authority	0	*	1	1	1	1	1	1	1	1	1	1	4	10
Estimated Outlays	0	*	1	1	1	1	1	1	1	1	1	1	4	10

Components may not sum to totals because of rounding; * = between zero and \$500,000.

Voluntary Separation Incentive Payments. Enacting section 202 of division A would increase direct spending for annuities and health insurance premiums for retired federal employees. As discussed in the section on spending subject to appropriation, those costs arise because section 202 would increase the maximum amount of lump-sum payments that the CIA can offer to employees to entice them to separate from federal service. CBO estimates that those payments would induce employees to retire, on average, 18 months sooner than they otherwise would have. However, the annuities of individuals who accept the buyout would be smaller than what those workers would have otherwise received, because retirement benefits are based on the number of months that the annuitant worked.

In addition, the federal government pays a portion of the health insurance premiums for federal retirees who participated in the Federal Employees Health Benefits (FEHB) program; those payments are classified as direct spending. CBO estimates that the government's share of those premiums for each retiree will average \$9,000 in 2020, rising to \$14,000 by 2029. Because of the early retirements resulting from section 202, the federal government's payments for annuitants under the FEHB program also would increase.

CBO estimates that those early retirements would increase spending for retirement annuities and FEHB payments by \$9 million over 2020-2029 period.

Security Clearances. Section 311 of division A would authorize payments of up to \$300,000 to compensate individuals whose security clearances were wrongfully denied or revoked. Other provisions in S. 1589 that would amend the security clearance process also would increase costs for agencies that are not funded by annual appropriations. In total, CBO estimates that enacting those provisions would increase direct spending by \$1 million over the 2020-2029 period. (More information about Security Clearances is provided above under the heading, "Spending Subject to Appropriation.")

Appeals Process for Denied or Revoked Security Clearances. Section 311 of division A would expand the process through which individuals may appeal the revocation or denial of a security clearance. Specifically, section 311 would require the Security Executive Agent to establish a panel to review decisions made by agencies. If that panel determines that an agency violated an individual's rights or that the decision to revoke or deny an individual's clearance was based on an improperly conducted review by the agency, the panel would vacate the agency's decision and send the case back to the agency for another review. If an agency determines that an individual's clearance was wrongfully denied or revoked, section 311 would require the agency to correct the action and return the person to the position they would have held had the improper denial or revocation not occurred. Such corrective action also may include a compensation payment of up to \$300,000 for any loss of wages or benefits, or expenses otherwise incurred.

By establishing a new body with different members to review appeals of denials and revocations, CBO expects that enacting section 311 could increase the number of successful appeals and, thus, increase the number of compensation payments paid by agencies. However, CBO expects that the panel would not return many cases to the agencies for another review. CBO further expects that reviewing agencies are likely to make the same determination that they reached in the original review. Thus, CBO estimates that few individuals would receive compensation payments for back pay and that enacting section 311 would increase direct spending by an insignificant amount each year and by \$1 million over the 2020-2029 period.

Effect on Agencies Not Funded by Annual Appropriations. Enacting S. 1589 also would increase administrative costs for agencies not funded through annual appropriations to process security clearances and satisfy the other security clearance related requirements of

the bill. Such spending is considered direct spending. Those agencies are allowed to use fees, receipts from the sale of goods, and other collections to cover the increase in administrative expenses. CBO estimates that any net changes in direct spending by those agencies would be negligible over the 2020-2029 period because most of them can adjust amounts collected to account for changes in operating costs.

Public-Private Talent Exchange. Section 304 of division A would establish a program for temporarily exchanging employees of elements of the intelligence community and employees of entities in the private sector. That exchange would increase direct spending for compensation for private-sector employees who are injured in the course of their work in the intelligence community. Those related medical expenses would be paid through the federal workers' compensation program; such payments are classified as direct spending. CBO expects that few private-sector employees would become injured while participating in the program established by section 304; thus, the additional liability would increase direct spending by less than \$500,000 over the 2020-2029 period.

CIARDS Benefits Adjustments. Section 202 of division B 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. Those changes would both increase and decrease spending on retirement benefits. For example, the bill would increase retirement benefits for employees who worked for the Central Intelligence Agency 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.) Total annuity payments for retirees who elect to provide a survivor annuity to someone with an insurable interest would be reduced or increased depending on how long they and the designated beneficiary live. On the basis of information from the CIA, CBO estimates that only a few individuals would benefit from the changes in section 202. CBO estimates that the difference in net direct spending from enacting the section would be less than \$500,000 over the 2020-2029 period.

Paid Parental Leave. Section 307 of division A would provide up to 12 weeks of paid leave to employees of the intelligence community following the birth or adoption of a child or the initial placement of a foster child. Once implemented, CBO estimates that section 307 would increase balances of sick leave for those employees who now would defer the use of some sick leave they otherwise would have taken for child care under current law. Any additional sick leave carried through to retirement would be used in the computation of those employees' or survivors' annuities; increases in annuity payments are classified as direct spending. Because the effect on the payment of future retirement annuities would be small, CBO estimates that enacting section 307 would increase direct spending by less than \$500,000 over the 2020-2029 period. (More information about Paid Parental Leave is provided under the heading, "Spending Subject to Appropriation.")

National Intelligence University Authorities. Section 744 would authorize the NIU to accept and use faculty research grants. The section also would authorize the university to enroll up to 35 individuals from the private sector at any one time as full-time students and to charge tuition for their attendance. Any tuition received from those students would be available to defray the costs of instructing them. Because CBO estimates that any amounts received under those authorities would eventually be spent, enacting section 744 would have a negligible net effect on direct spending over the 2020-2029 period.

CIARDS Fund Payment. Section 201 of divisions A and B would authorize the appropriation of \$514 million for CIARDS for fiscal years 2020 and 2019, respectively, to maintain the necessary 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 at the authorized levels in CBO's baseline pursuant to section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985. Because the amount that would be authorized by the bill is included in CBO's baseline, that authorization would have no budgetary effect relative to the baseline.

Uncertainty

The most significant area of uncertainty arises from estimating the costs of changing the process for granting security clearances. The bill would give the Council broad latitude in reforming that process; thus, the steps taken by the Council to meet the processing goals of security clearance investigations and other matters could differ significantly from CBO's estimate.

Additionally, the actual number of personnel employed by the intelligence community is classified. The costs of additional personnel benefits also are uncertain because the number of personnel that would receive those benefits could differ significantly from CBO's estimate.

Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. Pay-as-you-go procedures apply to this legislation because enacting it would affect direct spending. The net changes in outlays that are subject to those pay-as-you-go procedures are shown above in Table 2.

Increase in Long-Term Deficits

CBO estimates that enacting S. 1589 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2030.

Mandates

S. 1589 would impose an intergovernmental mandate, as defined in UMRA, on state, local, and tribal governments. The bill would preempt state and local laws that would otherwise require governmental agencies participating in the pilot program on energy infrastructure authorized by section 742 to disclose information about their activities, such as sharing cybersecurity information. Although the preemption would limit the application of state and local laws, CBO estimates that it would impose no duty on state or local governments that would result in additional spending or a loss of revenues.

S. 1589 contains no private-sector mandates as defined in UMRA.

Previous Estimates

On July 11, 2019, CBO transmitted a cost estimate for H.R. 3494, the Damon Paul Nelson and Matthew Young Pollard Intelligence Authorization Act for Fiscal Years 2018, 2019, and 2020. The differences in the estimated costs reflect the differences in the underlying bills.

Estimate Prepared By

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