

At a Glance

H.R. 3932, Intelligence Authorization Act for Fiscal Year 2024

As reported by the House Permanent Select Committee on Intelligence on August 18, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2028	2024-2033
Direct Spending (Outlays)	6	16	16
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	6	16	16
Spending Subject to Appropriation (Outlays)	475	797	not estimated

Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Statutory pay-as-you-go procedures apply?	Yes
	Mandate Effects		
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Contains intergovernmental mandate?	No
	No	Contains private-sector mandate?	No

The bill would

- Authorize the appropriation of \$715 million for fiscal year 2024 for the Intelligence Community Management Account (ICMA)
- Establish initiatives to accelerate the adoption of emerging technologies by the intelligence community
- Authorize spending of up to \$10 million annually to support military intelligence partnerships abroad
- Authorize increased pay rates for some employees with expertise in banking or finance
- Establish a counterintelligence office within the Department of Agriculture
- Modify the authority of the Central Intelligence Agency (CIA) to pay compensation for qualifying brain injuries
- Authorize the Coast Guard to waive certain budget laws to pay for emergency and extraordinary expenses

Estimated budgetary effects would mainly stem from

- Authorizing appropriations for the ICMA
- Hiring technology specialists and other support personnel
- Entering into military intelligence partnerships with foreign countries
- Providing higher rates of pay for banking and finance specialists
- Compensating certain CIA employees, former employees, and dependents for qualifying brain injuries

Areas of significant uncertainty include

- Predicting the number of people and amounts of compensation for qualifying brain injuries

Detailed estimate begins on the next page.

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)

Bill Summary

H.R. 3932 would authorize appropriations for fiscal year 2024 for intelligence activities of the U.S. government, including the Intelligence Community Management Account (ICMA) and the Central Intelligence Agency Retirement and Disability System (CIARDS). The bill also would establish several initiatives to accelerate the adoption of emerging technologies by the intelligence community, modify the authority of the Central Intelligence Agency (CIA) to pay compensation for qualifying brain injuries, and create or modify other programs affecting the intelligence community.

CBO does not provide estimates for classified programs; therefore, this estimate only addresses 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 in the bill would cost \$797 million over the 2024-2028 period; that spending would be subject to appropriation of the specified and estimated amounts.

CBO estimates that enacting H.R. 3932 would increase direct spending by \$16 million over the 2024-2033 period. Enacting the bill would not affect revenues.

Estimated Federal Cost

The estimated budgetary effects of H.R. 3932 are shown in Table 1. The costs of the legislation fall within budget functions 050 (national defense) and 500 (education, training, employment, and social services).

Table 1.
Estimated Budgetary Effects of H.R. 3932

	By Fiscal Year, Millions of Dollars					2024-2028
	2024	2025	2026	2027	2028	
Increases in Spending Subject to Appropriation						
Estimated Authorization	731	21	31	32	35	850
Estimated Outlays	475	182	55	43	42	797
Changes in Direct Spending						
Estimated Budget Authority	16	*	*	*	*	16
Estimated Outlays	6	5	5	*	*	16

* = between -\$500,000 and \$500,000.

CBO estimates that enacting H.R. 3932 would increase net direct spending by \$16 million over the 2024-2033 period.

Basis of Estimate

For this estimate, CBO assumes that H.R. 3932 will be enacted near the start of calendar year 2024. Outlay estimates are based on historical spending patterns for existing or similar programs.

Spending Subject to Appropriation

CBO estimates that implementing the bill would cost \$797 million over the 2024-2028 period. Such spending would be subject to the appropriation of the specified and estimated amounts (see Table 2).

Table 2.
Estimated Increases in Spending Subject to Appropriation Under H.R. 3932

	By Fiscal Year, Millions of Dollars					2024-2028
	2024	2025	2026	2027	2028	
Intelligence Community Management Account						
Authorization	715	0	0	0	0	715
Estimated Outlays	465	164	25	11	7	672
Technology Innovation Initiatives						
Estimated Authorization	5	9	18	19	20	71
Estimated Outlays	5	9	18	19	20	71
Military Intelligence Partnerships						
Authorization	10	10	10	10	10	50
Estimated Outlays	4	7	9	10	10	40
Increased Pay Rates						
Estimated Authorization	*	1	2	2	3	8
Estimated Outlays	*	1	2	2	3	8
Counterintelligence Office						
Estimated Authorization	1	1	1	1	2	6
Estimated Outlays	1	1	1	1	2	6
Total Changes						
Estimated Authorization	731	21	31	32	35	850
Estimated Outlays	475	182	55	43	42	797

* = between zero and \$500,000.

Intelligence Community Management Account. Section 103 would authorize the appropriation of \$715 million for fiscal year 2024 for the Intelligence Community Management Account. That amount is 27 percent more than the \$563 million appropriated in fiscal year 2023 and 10 percent more than the \$650 million requested by the Administration for fiscal year 2024. The ICMA is the principal source of funding for the Office of the Director of National Intelligence and for the coordination of the intelligence activities of the federal government. CBO estimates that implementing section 103 would cost \$672 million over the 2024-2028 period.

Technology Innovation Initiatives. Title IX of the bill would require the Director of National Intelligence to initiate several programs to accelerate the adoption by the intelligence community of emerging technologies, including:

- Establishing a unit (of as many as 50 people) to evaluate emerging technology for potential adoption by the intelligence community;
- Appointing a chief technology officer at each element of the intelligence community;
- Establishing an office to engage with private-sector entities, postsecondary education institutions, trade associations, think tanks, laboratories, international organizations, foreign partners, and allies;
- Creating a board to provide advice and recommendations on technology innovation to the intelligence community; and
- Advancing artificial intelligence and sixth-generation wireless technologies.

Using information from the Administration, CBO estimates that the intelligence community would need 74 full-time employees to carry out the duties and responsibilities required by title IX. Of those, 50 would evaluate emerging technology, 18 would satisfy the requirement to appoint chief technology officers, 3 would help manage engagement efforts, and 3 would staff the innovation board. The average annual compensation and operating expenses for each employee would be about \$210,000 in 2024. After accounting for the effects of inflation and the time needed to hire new personnel, CBO estimates that implementing title IX would cost \$71 million over the 2024-2028 period.

Military Intelligence Partnerships. Section 503 would authorize the Defense Intelligence Agency to spend up to \$10 million in each of the next five fiscal years to support partnerships with foreign countries to enhance intelligence collection and analysis and to provide supplies and services to further those partnerships.

On the basis of amounts requested for that authority in the Department of Defense's fiscal year 2024 budget, CBO estimates that implementing section 503 would cost \$40 million over the 2024-2028 period.

The section also would authorize the agency to accept and spend contributions from foreign partners and allies to improve cooperation and the integration of combined intelligence activities. That provision is described in "Direct Spending" below.

Increased Pay Rates. Section 407 would authorize the agencies and organizations within the intelligence community to increase pay rates for employees in positions that require expertise in banking or finance. The minimum rates established under that authority could not exceed by more than 30 percent the maximum basic pay rate (excluding locality adjustments) for similar positions not covered by the authority. The maximum rate would be capped at the basic rate for level IV of the Executive Schedule (\$183,500, in 2023).

Based on information from the Administration on other proposals to use targeted pay increases to recruit and retain staff and using employment data from the Office of Personnel Management, CBO estimates that the agencies would increase pay for 50 employees in 2024 and would extend that benefit to about 100 employees by 2028. Those employees would receive an average of roughly \$25,000 more in compensation each year. CBO estimates that implementing section 407 would cost \$8 million over the 2024-2028 period.

Counterintelligence Office. Section 417 would require the Director of National Intelligence to establish a counterintelligence office within the Department of Agriculture. The office would coordinate the sharing of information about counterintelligence threats within the agency and provide recommendations to improve the agency's counterintelligence posture.

Using information on similar activities at agencies outside the intelligence community, CBO estimates that five full-time employees would be needed to staff and carry out the duties of the office. Compensation and operating expenses for those employees would cost \$1 million in 2024 and \$6 million over the 2024-2028 period, CBO estimates.

Direct Spending

H.R. 3932 would modify the authority of the Central Intelligence Agency to compensate employees and their dependents for certain brain injuries. The bill also would authorize the Coast Guard to obligate and expend certain funds without regard to laws that govern federal spending. Other provisions would have insignificant effects on direct spending. CBO estimates that, in total, enacting H.R. 3932 would increase direct spending by \$16 million over the 2024-2033 period (see Table 3).

Compensation for Qualifying Brain Injuries. Section 702 would modify the CIA's authority to pay compensation for qualifying brain injuries under the Helping American Victims Afflicted by Neurological Attacks (HAVANA) Act of 2021. Under current law, payments under the HAVANA Act are contingent on appropriations provided in advance for a specific fiscal year. If the amount appropriated is insufficient to cover all approved claims, payments are made on a first-come, first-served or pro-rata basis until available amounts are exhausted. By removing those limitations, section 702 would, in CBO's assessment, make injured employees or their family members entitled to the payments. As a result, CBO classifies those payments as direct spending.



Table 3.
Estimated Increases in Direct Spending Under H.R. 3932

	By Fiscal Year, Millions of Dollars										2024-2028	2024-2033	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033			
Compensation for Qualifying Brain Injuries													
Estimated Budget Authority	15	0	0	0	0	0	0	0	0	0	0	15	15
Estimated Outlays	5	5	5	0	0	0	0	0	0	0	0	15	15
Emergency and Extraordinary Expenses													
Estimated Budget Authority	1	0	0	0	0	0	0	0	0	0	0	1	1
Estimated Outlays	1	0	0	0	0	0	0	0	0	0	0	1	1
Total Increases													
Estimated Budget Authority	16	*	*	*	*	*	*	*	*	*	*	16	16
Estimated Outlays	6	5	5	*	*	*	*	*	*	*	*	16	16

* = between -\$500,000 and \$500,000.

Other provisions of H.R. 3932 would affect direct spending by insignificant amounts in each year and in total over the 2024-2033 period.

Because the number of people who will receive payment under section 702 is classified, CBO relied on payment estimates from the Department of State and on amounts specifically appropriated for the Department of Justice to make payments under the HAVANA Act as the basis of this estimate. Using that information, CBO estimates that enacting the section would cost \$15 million over the 2024-2033 period.

Emergency and Extraordinary Expenses. Section 416 would authorize the Coast Guard to use amounts appropriated for the National Intelligence Program to conduct confidential, extraordinary, or emergency activities without regard to laws or regulations that govern federal spending. Under current law, agencies may obligate appropriated funds only during the period of availability. Section 416 would allow the Coast Guard to obligate expired appropriations. Extending the availability of previously appropriated funds is a reappropriation and classified as direct spending in an authorization bill.

Using historical spending patterns, CBO estimates that allowing the Coast Guard to use expired balances from amounts appropriated before the enactment of H.R. 3932 would increase direct spending by \$1 million over the 2024-2033 period.

Other Provisions. Other provisions in the bill would have insignificant effects on direct spending, generally because few people would be affected or because a particular proposal would allow the spending of new receipts so that the net effect would be small.

- Section 414 would require public colleges and universities to offer in-state tuition to certain employees of the intelligence community and their dependents. Discounting

tuition for those qualifying students could reduce the use of federal financial aid programs, such as federal student loans, which in turn would reduce direct spending. Conversely, those lower tuition rates also could encourage some people to enroll in programs they otherwise would not have, thus increasing the use of federal student aid and therefore increasing direct spending. If section 414 was enacted, CBO estimates that the net effect on direct spending would be insignificant.

- As discussed under “Spending Subject to Appropriation,” section 503 would authorize the Defense Intelligence Agency to accept and spend amounts from foreign partners and allies to improve cooperation and integration of combined intelligence activities.
- Section 904 would authorize intelligence agencies to charge fees to conduct background investigations and to grant security clearances to contract employees working for the intelligence community. The bill also would authorize the agencies to retain and use amounts collected to offset the costs of granting and maintaining those clearances.

CIARDS Fund Payment. Section 201 would authorize the appropriation of \$514 million for the Central Intelligence Agency Retirement and Disability System for fiscal year 2024 to maintain the necessary funding level for operating that 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 as required by 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 estimated cost of payments that would be made under section 702 is subject to considerable uncertainty because the number of people who would be affected is classified. If the number of people who qualify for payment differs from CBO’s estimate or the average payment amount differs significantly from the amounts appropriated for the Departments of State and Justice, total spending for the section could be higher or lower than 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. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 3.

Increase in Long-Term Net Direct Spending and Deficits

CBO estimates that enacting H.R. 3932 would not increase net direct spending or deficits in any of the four consecutive 10-year periods beginning in 2034.

Mandates

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

Previous CBO Estimate

On October 6, 2023, CBO transmitted a [cost estimate for S. 2226](#), the National Defense Authorization Act for Fiscal Year 2024 as passed by the Senate on July 27, 2023. The estimates for section 702 of H.R. 3932 and section 901 of division M of S. 2226 are the same.

Estimate Prepared By

Federal Costs:

William Ma (national defense)
Leah Koestner (federal student loans)

Mandates: Brandon Lever

Estimate Reviewed By

Justin Humphrey
Chief, Finance, Housing, and Education Cost Estimates Unit

David Newman
Chief, Defense, International Affairs, and Veterans' Affairs Cost Estimates Unit

Christina Hawley Anthony
Deputy Director of Budget Analysis

Estimate Approved By



Phillip L. Swagel
Director, Congressional Budget Office