



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 22, 2011

H.R. 1892 **Intelligence Authorization Act for Fiscal Year 2012**

*As ordered reported by the House Permanent Select Committee on Intelligence
on May 26, 2011*

SUMMARY

H.R. 1892 would authorize appropriations for fiscal year 2012 for intelligence activities of the U.S. government, for the Intelligence Community Management Account (ICMA), and for the Central Intelligence Agency Retirement and Disability System (CIARDS).

Since CBO does not provide estimates for classified programs, this estimate addresses only the unclassified portions of the bill. In addition, CBO cannot provide estimates for certain provisions in the unclassified portion of the bill because they concern classified intelligence programs. On that limited basis, and assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 1892 would cost \$585 million over the 2012-2016 period.

Pay-as-you-go procedures apply because enacting the legislation would affect direct spending; however, CBO estimates that those effects would be insignificant. Enacting H.R. 1892 would not affect revenues.

H.R. 1892 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1892 is shown in the following table. The costs of this legislation fall within budget function 050 (national defense).

	By Fiscal Year, in Millions of Dollars					2012- 2016
	2012	2013	2014	2015	2016	2016
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	590	*	*	*	*	590
Estimated Outlays	384	136	47	12	6	585
Note: * = less than \$500,000.						

BASIS OF ESTIMATE

Spending Subject to Appropriation

For this estimate, CBO assumes that the legislation will be enacted near the end of fiscal year 2011.

Section 103 would authorize the appropriation of \$590 million for the ICMA, which provides the principal source of funding for the Office of the Director of National Intelligence and resources for coordinating programs, overseeing budgets, and managing the intelligence agencies. CBO estimates that implementing this provision would cost \$585 million over the 2012-2016 period, assuming appropriation of specified amounts.

Section 401 would authorize the Director of the Central Intelligence Agency (CIA) to pay burial allowances to the estates of employees who are killed in the line of duty. The allowance would cover burial expenses along with the costs of transporting deceased employees to their burial sites. The bill would permit payments up to \$15,000 for such purposes, but would allow for multiple payments to be made in certain instances. Based on press releases by the CIA on the number of personnel killed in the line of duty, CBO estimates that implementing this provision would cost less than \$500,000 over the 2012-2016 period, assuming availability of the necessary amounts.

Direct Spending

Section 201 would authorize the appropriation of \$514 million to the Central Intelligence Agency Retirement and Disability System. CIARDS is a retirement and disability system for certain employees of the CIA, and the appropriation covers various unfunded liabilities of the system. The appropriation to CIARDS is considered mandatory, and the

authorization under this bill would be the same as the amount assumed in the CBO baseline. Thus, this estimate does not ascribe any additional cost to that provision.

Section 402 would amend the CIA's authority to accept gifts on behalf of its employees. The bill would amend that authority to permit the Director of the CIA to solicit such gifts, and to accept gifts on behalf of survivors of deceased members of the CIA who are killed in the line of duty. This provision could increase receipts to the government; however, the Director has the authority to spend such receipts.

Because the Director also has the authority to invest gifts of cash or the proceeds from gifts of securities or property in U.S. government securities, this provision would result in additional interest being available for spending. Although the payment of interest from the U.S. Treasury to the CIA's gift fund would be an intergovernmental transfer, the outlays that would result from that transfer would constitute direct spending. However, CBO anticipates that the additional amounts invested by the CIA, and thus any additional interest, would be minimal.

PAY-AS-YOU-GO CONSIDERATIONS

Enacting the bill would have an insignificant effect on direct spending. The bill would not affect revenues.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1892 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Jason Wheelock

Impact on State, Local, and Tribal Governments: J'nell Blanco

Impact on the Private Sector: Elizabeth Bass

ESTIMATE APPROVED BY:

Theresa Gullo

Deputy Assistant Director for Budget Analysis