



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 7, 2018

H.R. 4969 **Improving Embassy Design and Security Act of 2018**

*As ordered reported by the House Committee on Foreign Affairs
on June 28, 2018*

H.R. 4969 would alter several administrative processes affecting the construction, maintenance, and security of the Department of State's overseas facilities. It also would require the department to provide several reports to the Congress. On the basis of information from the department about how the bill would affect its current practices and the costs of similar reporting requirements, CBO estimates that implementing the bill would cost less than \$500,000 each year and total \$2 million over the 2019-2023 period. That spending would be subject to the availability of appropriated funds.

The bill would require the department to project anticipated growth in staffing at certain facilities over the useful life of those facilities, instead of over five-year periods as is currently done. It also would require the department to reduce its backlog of pending performance evaluations of contractors and to brief the Congress on its plans; the department indicated it is already increasing staffing to address that issue. Several other provisions would require the department to provide additional documentation or reports to the Congress on a number of topics, including:

- Projects that do not use a standard design template;
- Estimated costs of, and claims related to, ongoing construction projects;
- Countries that have small or no diplomatic posts;
- Long range planning for construction and maintenance of facilities; and
- Risk assessments and security deficiencies at facilities.

Finally, H.R. 4969 would require the department, with limited exceptions, to use a design-build system (a system where one entity designs and builds facilities) for new diplomatic posts. CBO has no basis to determine how such a requirement would alter the number, timing, or anticipated costs of the department's planned construction projects.

Enacting H.R. 4969 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 4969 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 4969 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Sunita D'Monte. The estimate was reviewed by Leo Lex, Deputy Assistant Director for Budget Analysis.