



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

May 13, 2010

**S. 1510  
United States Secret Service Uniformed Division  
Modernization Act of 2009**

*As ordered reported by the House Committee on Oversight and Government  
Reform on April 14, 2010*

**SUMMARY**

S. 1510 would transfer the authority that governs pay and hours of work for current members of the United States Secret Service Uniformed Division from the District of Columbia Code to the U.S. Code. That transfer would result in several changes to the pay and benefits of Uniformed Division members, including a revised salary schedule. In addition, retired members of the Uniformed Division who also are members of the District of Columbia Police and Firefighters Retirement and Disability System would receive an increase of nearly 3 percent in their retirement compensation.

CBO estimates that implementing this legislation would cost \$46 million over the 2011-2015 period, assuming appropriation of the necessary amounts. The bill also contains provisions that would increase direct spending for retirement benefits of the Uniformed Division. CBO estimates that, if enacted, S. 1510 would increase direct spending by \$7 million over the 2011-2015 period and \$15 million over the 2011-2020 period.<sup>1</sup> Enacting the bill would have no effect on revenues. Pay-as-you-go procedures apply because enacting the legislation would affect direct spending.

The bill 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.

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<sup>1</sup>Different time periods are relevant for the purposes of enforcing the current pay-as-you-go rules in the Senate and the House of Representatives. CBO estimates that enacting S. 1510 would increase direct spending by \$6 million over the 2010-2014 period and by \$14 million over the 2010-2019 period.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The costs of this legislation fall within budget functions 600 (income security) and 750 (administration of justice).

|   | By Fiscal Year, in Millions of Dollars |      |      |      |      |      |      |      |      |      |           |           |
|---|--|------|------|------|------|------|------|------|------|------|-----------|-----------|
|   | 2011                                   | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2011-2015 | 2011-2020 |
| <b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b> |  |      |      |      |      |      |      |      |      |      |           |           |
| Estimated Authorization Level                       | 9                                      | 9    | 9    | 9    | 10   | 10   | 10   | 10   | 11   | 11   | 46        | 98        |
| Estimated Outlays                                   | 9                                      | 9    | 9    | 9    | 10   | 10   | 10   | 10   | 11   | 11   | 46        | 98        |
| <b>CHANGES IN DIRECT SPENDING</b>                   |  |      |      |      |      |      |      |      |      |      |           |           |
| Estimated Budget Authority                          | 1                                      | 1    | 1    | 1    | 2    | 2    | 2    | 2    | 2    | 2    | 7         | 15        |
| Estimated Outlays                                   | 1                                      | 1    | 1    | 1    | 2    | 2    | 2    | 2    | 2    | 2    | 7         | 15        |

## BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1510 will be enacted late in fiscal year 2010 and that the amounts estimated to be necessary for higher salaries will be appropriated in each fiscal year.

### Spending Subject to Appropriation

S. 1510 would increase discretionary spending for pay and benefits for members of the U.S. Secret Service Uniformed Division. CBO estimates that implementing those changes would cost \$46 million over the 2010-2015 period, assuming appropriation of the necessary amounts. In addition, CBO assumes that the conversion to the new salary schedule will occur by the beginning of fiscal year 2011.

S. 1510 would set forth a schedule of pay rates for members of the U.S. Secret Service Uniformed Division to be paid under the U.S. Code. That schedule is composed of 13 steps (one fewer than under the current schedule) for each of the different ranks that comprise the Uniformed Division. Under the legislation, the increments between steps of a given rank would be adjusted so that the dollar increase between each step is the same. S. 1510 also would reduce the amount of service time required to advance to the highest step from 30 years to 22 years. As a result of those changes, most members would receive a small salary increase upon conversion to the new pay scale.

Several other changes in pay or benefits would occur as a result of the legislation. Those changes include moving the provisions governing premium pay (such as overtime) from the District of Columbia Code to the U.S. Code, granting an additional 6 percent salary increase to members deemed to hold technician positions, and increasing the maximum annual clothing allowance to plainclothes members from \$300 to \$500. No current employee's pay or benefits would be reduced as a result of the legislation.

### **Direct Spending**

In addition, S. 1510 would increase by nearly 3 percent the annuity paid to retired members of the Secret Service Uniformed Division who currently participate in the District of Columbia Police and Firefighters Retirement and Disability System. CBO estimates that this change would increase payments to retired Secret Service employees by about \$15 million over the 2010-2020 period.

### **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 subject to those pay-as-you-go procedures are shown in the following table:

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**CBO Estimate of Pay-As-You-Go Effects for S. 1510 as ordered reported by the House Committee on Oversight and Governmental Reform on April 14, 2010**

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|  | By Fiscal Year, in Millions of Dollars |      |      |      |      |      |      |      |      |      |      |      | 2010- | 2010- |
|--|--|------|------|------|------|------|------|------|------|------|------|------|-------|-------|
|  | 2010                                   | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2015 | 2020  |       |
| <b>NET INCREASE OR DECREASE (-) IN THE DEFICIT</b> |  |      |      |      |      |      |      |      |      |      |      |      |       |       |
| Statutory Pay-As-You-Go Impact                     | 0                                      | 1    | 1    | 1    | 1    | 2    | 2    | 2    | 2    | 2    | 2    | 7    | 15    |       |

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

S. 1510 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

## **PREVIOUS CBO ESTIMATE**

On September 8, 2009, CBO transmitted a cost estimate for S. 1510, the United States Secret Service Uniformed Division Modernization Act of 2009, as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs. The bills are nearly identical but would be effective for different time periods. The cost estimates reflect that difference.

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