

S. 1388, Supply Chain Counterintelligence Training Act of 2019

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on May 15, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	*	*
Revenues	0	0	0
Deficit Effect	0	*	*
Spending Subject to Appropriation (Outlays)	4	27	n.e.
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?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
n.e. = not estimated; * = between -\$500,000 and \$500,000.			

S. 1388 would require the Office of Management and Budget (OMB) to establish a program to train federal employees to identify and defend against counterintelligence threats to the federal supply chain. Acquisition officials at all federal agencies who are involved with managing the supply chain for information and communications technology programs would be required to attend that training. The bill also would require OMB to report to the Congress on the implementation of that training program. CBO estimates that implementing the bill would cost \$27 million over the 2020-2024 period (see Table 1); that spending would be subject to the availability of appropriated funds.

The Department of Defense (DoD) has about 150,000 employees in its acquisition workforce and DoD's contracts account for about 60 percent of all federal contracts. On that basis, CBO estimates that the acquisition workforce of the federal government totals about 250,000 people. CBO expects that 10 percent of them would require training every two years under the bill and that training for the first group of employees would begin in 2021. Using information on the costs of other federal training programs, CBO estimates that delivering that training to an average of 12,500 individuals each year would cost \$10 million over the 2020-2024 period.

CBO expects that some of the information provided in that training would be classified; thus, trainees would be required to hold security clearances. The number of acquisition employees

in the federal government who have security clearances is unknown. Given that lack of information, CBO assumes that 50 percent of the people who would receive training as a result of S. 1388 already possess clearances at the secret level or higher. Thus, 12,500 people would require new clearances initially and about 600 additional clearances would be processed each year beginning in 2022 as a result of personnel turnover. Background investigations for a secret clearance cost about \$800. On that basis, CBO estimates that it would cost \$12 million to conduct background investigations on those trainees over the 2020-2024 period.

In addition to the above costs, CBO estimates that it would cost \$1 million to develop the training curriculum and \$1 million annually thereafter to continually update it to incorporate information on the latest counterintelligence threats.

Using information about the costs of similar reports, CBO estimates that satisfying the reporting requirements in S. 1388 would cost less than \$500,000.

**Table 1.
Estimated Increases in Spending Subject to Appropriation Under S. 1388**

	By Fiscal Year, Millions of Dollars						2019-2024
	2019	2020	2021	2022	2023	2024	
Training							
Estimated Authorization Level	0	5	8	3	3	3	22
Estimated Outlays	0	3	8	5	3	3	22
Course Development and Update							
Estimated Authorization Level	0	1	1	1	1	1	5
Estimated Outlays	0	1	1	1	1	1	5
Totals							
Estimated Authorization Level	0	6	9	4	4	4	27
Estimated Outlays	0	4	9	6	4	4	27

Enacting S. 1388 also would increase expenses for agencies not funded through annual appropriations. Such spending is considered direct spending. However, because those agencies are able to increase the fees that provide their funding as necessary to cover their costs, CBO estimates that the net difference in spending from those agencies would be insignificant over the 2020-2029 period.

This estimate is uncertain primarily because the bill would give OMB broad latitude in designing the training program. The frequency of the training, the number of acquisition employees who would be trained, and the number of personnel who would require new security clearances could differ significantly from CBO’s estimate.

The CBO staff contact for this estimate is William Ma. The estimate was reviewed by Leo Lex, Deputy Assistant Director for Budget Analysis.