



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 23, 2002

### **H.R. 5005** **Homeland Security Act of 2002**

*As ordered reported by the Select Committee on Homeland Security on July 19, 2002*

#### **SUMMARY**

H.R. 5005 would establish the Department of Homeland Security (DHS) to prevent terrorist attacks within the United States, reduce the United States' vulnerability to terrorism, minimize the damages from attacks that occur, and help to recover from any attacks. The new department would consist of 30 existing federal agencies or portions of agencies. Each of these agencies would continue to be responsible for carrying out its other, nonhomeland-security functions.

CBO estimates that implementing H.R. 5005 would cost about \$4.5 billion over the 2003-2007 period, assuming appropriation of the necessary amounts. This amount is in addition to projected net spending for ongoing activities of the transferred agencies—about \$19 billion in 2002, growing to \$27 billion by 2007 under CBO's baseline assumptions.

Enacting H.R. 5005 would increase direct spending from federal retirement funds by about \$1 million in 2003 and by \$5 million over the 2003-2012 period. Therefore, pay-as-you-go procedures would apply. The bill also could affect governmental receipts from import duties and from employee contributions to federal retirement funds, but CBO estimates that the amounts would be less than \$500,000 annually.

H.R. 5005 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs to comply with the mandates would not exceed the threshold established in that act (\$58 million in 2002, adjusted annually for inflation). The bill contains no new private-sector mandates as defined in UMRA.

## **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

H.R. 5005 would combine 30 existing agencies and programs to form the new department. The major components would include the following:

- the Federal Emergency Management Agency (FEMA);
- the U.S. Secret Service;
- the U.S. Customs Service;
- the U.S. Coast Guard;
- the enforcement functions of the Immigration and Naturalization Service (INS);
- the Transportation Security Administration of the Department of Transportation;
- the Federal Protective Service (FPS) and the Federal Computer Incident Response Center of the General Services Administration (GSA);
- the National Infrastructure Protection Center, the National Domestic Preparedness Office, the Office for Domestic Preparedness, and the Domestic Emergency Support Teams of the Department of Justice (DOJ);
- the Critical Infrastructure Assurance Office of the Department of Commerce;
- the National Communications System of the Department of Defense;
- the border offices of the Animal, Plant and Health Inspection Service and the Plum Island Animal Disease Center of the Department of Agriculture; and
- various programs of the Department of Energy and the Department of Health and Human Services.

The following table summarizes the estimated net budgetary impact of reorganizing these agencies and programs, including the costs of building a new headquarters facility to house the DHS, administering them within a new cabinet-level department, and implementing certain new activities authorized by the bill.

The first two lines of the table show funding for the agencies and programs to be transferred at the CBO baseline levels (that is, the 2002 appropriation adjusted for anticipated inflation in succeeding years). These figures do not include more than \$7 billion that may be provided by the 2002 Supplemental Appropriations Act for Further Recovery From and Response To Terrorist Attacks on the United States. That legislation is currently being considered by the Congress. Changes in direct spending shown in the table are from higher federal retirement costs that would occur over the 2003-2007 period as a result of the voluntary separations payments authorized by section 442. The table also shows, as a memorandum item, the estimated direct spending of federal agencies transferred to the department. CBO estimates that the amount of direct spending for these agencies' existing programs would not be affected by enactment of the bill.

The costs of this legislation fall within budget functions 050 (national defense), 250 (general science, space, and technology), 350 (agriculture), 370 (commerce and housing credit), 400 (transportation), 450 (community and regional development), 550 (health), 750 (administration of justice), and 800 (general government).

**TABLE 1. ESTIMATED BUDGETARY IMPACT OF H.R. 5005**

	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Net Spending By Affected Agencies						
Under Current Law						
Estimated Authorization Level <sup>a</sup>	23,283	23,958	24,584	25,220	25,870	26,546
Estimated Outlays	18,590	20,630	21,922	23,581	24,866	25,948
Proposed Changes						
Reorganize Agencies and Administer						
New Department						
Estimated Authorization Level	0	150	250	255	260	265
Estimated Outlays	0	120	230	254	259	264
Design, Construct, and Operate New						
Federal Building						
Estimated Authorization Level	0	75	425	0	0	80
Estimated Outlays	0	50	68	106	138	220
Intelligence Analysis Center						
Estimated Authorization Level	0	30	10	10	10	10
Estimated Outlays	0	20	20	10	10	10
Research and Development						
Program						
Estimated Authorization Level	0	300	306	312	318	325
Estimated Outlays	0	180	289	309	316	322
Other Newly Authorized Activities						
Estimated Authorization Level	0	28	29	29	29	29
Estimated Outlays	0	28	29	29	29	29
Additional Human Resources Costs						
Estimated Authorization Level	0	12	16	7	7	7
Estimated Outlays	0	12	16	7	7	7
Immigration-Related Costs for						
Department of Justice						
Estimated Authorization Level	0	186	216	221	232	244
Estimated Outlays	0	176	215	221	232	243

Continued

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**TABLE 1. CONTINUED**

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	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
Total Changes						
Estimated Authorization Level	0	781	1,252	834	856	960
Estimated Outlays	0	586	867	936	991	1,095
Net Spending Under H.R. 5005						
Estimated Authorization Level	23,283	24,739	25,836	26,054	26,726	27,506
Estimated Outlays	18,590	21,216	22,788	24,517	25,857	27,043

**CHANGES IN DIRECT SPENDING**

Additional Federal Retirement Payments						
Estimated Budget Authority	0	1	3	1	0	0
Estimated Outlays	0	1	3	1	0	0

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**MEMORANDUM:**Net Direct Spending By Affected Agencies  
Under Current Law and Under H.R. 5005<sup>b</sup>

Estimated Budget Authority	591	684	1,906	2,053	2,120	2,305
Estimated Outlays	479	612	1,867	1,975	2,028	2,087

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a. The 2002 level is the amount appropriated for that year for agencies that would be combined to form the Department of Homeland Security. The estimated authorization levels for 2003 through 2007 are CBO baseline estimates that adjust the amounts appropriated for 2002 for anticipated inflation. Those amounts are net of offsetting collections credited to appropriation accounts.

b. CBO estimates that the amount of direct spending by agencies that would be combined to form the new department would not be changed by enacting H.R. 5005. Authority to collect Customs user fees expires at the end of 2003. CBO estimates that those fees will total \$1.3 billion in 2003.

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**BASIS OF ESTIMATE**

CBO estimates that implementing H.R. 5005 would cost about \$4.5 billion over the 2003-2007 period, assuming appropriation of the necessary funds. These costs are in addition to those that would be incurred by the Office of Homeland Security under current law. They include expenses to establish, house, and administer a new cabinet-level department and carry out within the department new activities and programs authorized by the bill. This estimate does not include additional funds to enhance the homeland security functions of the agencies that would be transferred to the new department except when specifically authorized by H.R. 5005. The bill also would increase the cost of certain immigration functions conducted by the Department of Justice.

For this estimate, CBO assumes that H.R. 5005 will be enacted before January 1, 2003, and that the necessary funds will be appropriated for each fiscal year. The estimated costs of implementing the bill are based on information obtained from affected federal agencies and on the administrative expenses of other federal departments.

### **Consolidate Affected Agencies and Administer the New Department**

CBO estimates that establishing, housing, and administering the new department would cost about \$1.7 billion over the 2003-2007 period.

**Initial Costs to Consolidate Agencies and Fulfill Reporting Responsibilities.** CBO estimates that most of the estimated 2003 authorization level would be spent on one-time costs to hire, house, and equip key personnel (on an interim basis) to manage the new 170,000-person department. Also included here are incidental consolidation costs such as moving expenses, as well as the costs of preparing various plans and reports required of the DHS or other federal agencies.

In the next few years, the greatest costs of consolidation would be for providing and equipping interim office space for the department-level management structure specified in the bill and for a centralized administrative staff to support a new cabinet-level department. CBO estimates that initially GSA would need to renovate and furnish office space for about 300 key positions. (After 2007, we expect that these positions would be relocated to the permanent DHS headquarters, as authorized by section 741.) Additional costs to purchase computers, network equipment, and supplies in the first years following creation of the new department also would be significant. Probably the largest of these costs would be the acquisition of basic computer systems for administrative functions, such as budget and finance, as well as for information management and communications.

The balance of the estimated 2003 authorization level is for partial-year funding for salaries and other expenses of new department personnel. New positions, which CBO assumes would be filled over the first two years following enactment, would include appointees such as under secretaries and assistant secretaries, key managers such as a general counsel and an inspector general, and other departmental-level personnel to perform administrative functions such as policy development, legislative affairs, and budget and finance activities.

**Design, Construct, and Operate New Federal Building.** Section 741 would direct GSA to construct a building to serve as the headquarters of the DHS, preferably on land already in federal ownership. This section also would authorize the appropriation of whatever amounts are necessary for the DHS to pay GSA for use of the new building and other facilities. Based on information provided by GSA about recent federal office building

projects, CBO estimates that planning and design of the new headquarters would cost \$75 million in fiscal year 2003, and that constructing the facility over the 2004-2007 period would cost \$425 million. We estimate that furnishing, equipping, and operating the new space for part of the year would cost about \$80 million in 2007.

For this estimate, CBO assumes that the headquarters would be located on property already owned by the federal government in the Washington, D.C. area. If new land has to be acquired for a building site, costs would be higher. Moreover, this estimate is based on the assumption that GSA would construct a facility large enough to house most of the roughly 8,000 Washington-area employees of the transferred agencies, although it is possible that some employees would not move to the new headquarters.

**Ongoing Administrative Costs.** CBO estimates that it would cost about \$250 million annually to administer the DHS, including centralized leadership, coordination, and support services for a cabinet-level department. The estimated annual cost represents about 1 percent of spending for the transferred entities. This estimate is based on the assumption that a share of each combined agency or office would be transferred to the DHS from the department where it is currently located, subject to the various limitations on such transfers specified by the bill. If sufficient resources are not transferred to the new department, added annual costs could be higher. Ongoing administrative costs include those typically incurred by any federal department—policy making, resource management, budget and finance functions, and legal and investigative services. For the DHS, they would also include costs to: (1) coordinate with other existing federal agencies, new entities that would be created by H.R. 5005 (such as the National Homeland Security Council), state and local authorities, and other organizations, (2) manage newly created entities such as the Bureau of Citizenship and Immigration Services (BCIS), and (3) oversee significant new research and development initiatives.

### **New Program Authorizations**

H.R. 5005 would authorize the DHS to initiate several new programs that are not currently conducted by any of the agencies that would be transferred to the new department. Based on information from the Administration and on the costs of other similar efforts, CBO estimates that beginning in 2003 these new efforts would cost about \$350 million a year, subject to appropriation of the necessary amounts.

**Intelligence Analysis Center.** Section 211 would create within DHS an Intelligence Analysis Center to integrate intelligence collected by other agencies. Based on the costs of carrying out similar programs at the Federal Bureau of Investigation and the Department of the Army, CBO estimates that the new center would spend about \$20 million for information

technology systems in 2003 and \$10 million a year for personnel and other expenses to analyze intelligence information. This estimate is based on the assumption that the new center would incorporate existing intelligence activities of the Coast Guard, Customs Service, INS, and Federal Protective Service.

**Research and Development Program.** Title III would authorize DHS to conduct research and development (R&D) activities related to the department's mission, especially in support of its procurement needs. CBO estimates that the cost of the department's R&D programs would range from \$200 million to \$400 million annually, or an average of about \$300 million a year. For this estimate, we assume that spending would be of a scale similar to that at other mission-oriented R&D agencies, such as the Federal Aviation Administration, the Federal Highway Administration, the Forest Service, and the Department of Education. At this level, R&D spending would be equivalent to between 1 percent and 2 percent of the total spending estimated for the department. Our estimate of \$300 million includes about \$50 million annually for the university research centers authorized by the bill.

**Other Newly Authorized Activities.** H.R. 5005 would authorize several other smaller programs at DHS. CBO estimates that those new programs would cost about \$30 million annually.

H.R. 5005 would establish a security program including a Federal Information Security Team to improve the security of critical information systems. Based on the costs of similar programs such as the Technical Support Working Group, the Office of Science and Technology Policy, and the Special Advisor to the President for Cyber Space Security, CBO estimates that the program and team would cost about \$15 million annually.

The bill would establish within DHS a National Council of First Responders. The council would be made up of 100 local emergency personnel who would be the first to respond to a terrorist attack. Based on similar nonpaid committees and councils, CBO estimates that the council would cost approximately \$1 million annually.

The legislation would establish a National Homeland Security Council within the Executive Office of the President. Based on the costs of the National Security Council, CBO estimates that operating the council would cost approximately \$8 million annually.

H.R. 5005 would establish a privacy officer within DHS whose primary responsibility would be to monitor the collection, use, and disclosure of personal information by the department. Based on the costs of other similar offices, such as congressional relations and public affairs, CBO estimates that establishing a privacy officer and staff would cost approximately \$5 million annually.

**Additional Human Resources Costs.** Several provisions of H.R. 5005 would affect salaries and benefits of federal personnel. CBO estimates that additional costs from appropriated funds would total \$49 million over the 2003-2007 period and that additional direct spending would total \$5 million over that period.

Title IV would abolish the INS and require the Attorney General or the Secretary of Homeland Security to prepare a strategic restructuring plan showing how current INS employees would be terminated or moved to successor agencies—either the new Bureau of Border Security within DHS or the new Bureau of Citizenship and Immigration Services (BCIS) within DOJ. In order to encourage some INS workers to leave federal employment as part of this restructuring plan, section 442 would authorize the DOJ or DHS to offer voluntary separation incentives of up to \$25,000 per eligible employee. Assuming that participation in the buyout program resembles that for similar recent initiatives, CBO estimates that the cost of buyout payments would be about \$4 million in 2003 and a total of \$13 million over the 2003-2007 period. The bill would also require the agencies to pay the Civil Service Retirement and Disability Fund (CSRDF) an amount equal to at least 45 percent of each employee's final pay. CBO estimates payments to the fund would be \$5 million in 2003 and about \$18 million over the 2003-2007 period.

Because the buyout program would cause some federal employees to retire sooner than they otherwise would have, implementing section 442 would increase mandatory retirement benefits paid from the CSRDF in the short run. CBO estimates that direct spending would increase by \$1 million in 2003 and by \$4 million over the 2003-2006 period. In later years, CSRDF outlays would be reduced by this provision because employees who retire early receive smaller annuity payments.

Section 442 would also increase spending for health benefits of federal retirees because many employees who would accept the buyouts would continue to be eligible for coverage under the Federal Employee Health Benefits (FEHB) program. CBO estimates that these additional FEHB benefits would increase direct spending by less than \$500,000 in 2003 and by \$1 million during the 2003-2007 period.

Section 761, which would create a new human resources management system for DHS, also could affect federal spending. Table 1 does not include any budgetary impact that might result from implementing the new pay and retirement provisions of this system, however, because CBO cannot predict whether (or to what extent) they would supplant—or improve upon—those currently governing the federal entities to be transferred to the new department.

Title IX would allow DHS to reclassify positions of officers and agents of the FPS by making them law enforcement officers. Based on information from the General Services Administration, CBO estimates that implementing this provision would increase the average

compensation costs by \$3,800 a year for the approximately 290 current GSA employees who are eligible to become law enforcement officers. The total increase would be \$10 million over the 2003-2007 period.

Under title 5 of the U.S. Code, contributions that agencies and workers make to the Civil Service Retirement and Disability Fund are higher for workers treated as law enforcement officers than they are for regular Civil Service employees. For the estimated 290 current GSA employees who would become law enforcement officers under the bill, retirement contributions by both the agency and the workers would be higher under H.R. 5005 than they would be under current law. CBO estimates DHS contributions to the CSRDF for those employees would increase by \$1 million in 2003 and by \$8 million over the 2003-2007 period.

### **Costs to Continue Agency Functions and Enhance Homeland Security Mission**

As shown in Table 2, CBO estimates that budget authority for the agencies that would form DHS totals close to \$27 billion in 2002 (including both mandatory and discretionary accounts). About \$3 billion of that amount is offset through various fees and collections. Three agencies account for more than half of the 2002 funding—FEMA, the Coast Guard, and the enforcement functions transferred from the INS. Together with the Customs Service, they account for close to 80 percent of the 2002 funding.

For 2003, funding for the new department would almost certainly be higher. CBO estimates that the President's 2003 budget would provide about \$29 billion in funding for functions and agencies that the bill would transfer to the Department of Homeland Security, which is about an 8 percent increase over 2002 spending for these same functions. This figure includes both mandatory and discretionary budget authority. Receipts for those agencies also would grow to about \$5 billion.

CBO's estimate of the cost of establishing a Department of Homeland Security as specified in H.R. 5005 does not include additional funding for the affected agencies to enhance their homeland security functions, except for those added responsibilities specified in the bill. The CBO baseline funding level for those agencies in 2003 and beyond assumes adjustments to account for anticipated inflation but does not reflect the amount of additional spending that may be necessary to prevent terrorist attacks, reduce the nation's vulnerability to attacks, and recover from any attacks. CBO has not estimated how much those agencies might need to spend to enhance homeland security. Such additional spending may occur whether or not a new department is created.

**TABLE 2. CBO ESTIMATES OF 2002 ENACTED SPENDING AND THE PRESIDENT’S 2003 REQUEST FOR AGENCIES AND FUNCTIONS AFFECTED BY H.R. 5005 (In billions of dollars)**

	Discretionary Budget Authority <sup>a</sup>	Estimated Mandatory Budget Authority	Estimated Fees and Receipts <sup>b</sup>
<b>Enacted for 2002</b>			
Federal Emergency Management Agency	7.7	0.0	-0.1
Coast Guard (DOT)	4.4	1.0	0.0
Enforcement Activities of the Immigration and Naturalization Service (DOJ)	4.0	0.6	-0.6
HHS Chemical and Biological Research and Response	1.3	0.0	0.0
Customs Service (Treasury)	3.1	0.6	-1.2
Secret Service (Treasury)	1.0	0.2	0.0
Border Activities of the Animal and Plant Health Inspection Service (USDA)	0.1	0.2	0.0
Federal Protective Services (GSA)	0.4	0.0	0.0
Transportation Security Agency (DOT)	1.3	0.0	-1.3
Other Affected Agencies	<u>1.2</u>	<u>0.0</u>	<u>0.0</u>
Total	24.5	2.5	-3.2
<b>Proposed for 2003</b>			
Federal Emergency Management Agency	6.6	0.0	-0.1
Coast Guard (DOT)	5.0	1.0	0.0
Enforcement Activities of the Immigration and Naturalization Service (DOJ)	4.0	0.6	-0.6
HHS Chemical and Biological Research and Response	0.6	0.0	0.0
Customs Service (Treasury)	3.0	0.6	-1.5
Secret Service (Treasury)	1.0	0.2	0.0
Border Activities of the Animal and Plant Health Inspection Service (USDA)	0.1	0.3	0.0
Federal Protective Services (GSA)	0.4	0.0	0.0
Transportation Security Agency (DOT)	4.8	0.0	-2.7
Other Affected Agencies	<u>1.1</u>	<u>0.0</u>	<u>0.0</u>
Total	26.5	2.7	-4.9

NOTE: Numbers may not add up to totals due to rounding.

- a. Does not include the Administration’s proposal that federal agencies pay the full cost of benefits for their employees as such benefits accrue. Such payments would total about \$1.4 billion in 2003.
- b. Includes offsetting collections credited to appropriation accounts as well as offsetting receipts; excludes fees classified as revenues.

## DOJ Immigration-Related Activities

H.R. 5005 would transfer most functions of the INS to the DHS, except for functions relating to the provision of immigration services. Title IV of the bill would establish within the DOJ the Bureau of Citizenship and Immigration Services (BCIS) to administer immigration services currently performed by the INS. The bill would create several offices within the new agency, authorize the appropriation of whatever sums are necessary to adjudicate refugee and asylum claims, and allow DHS to set rules for the State Department to follow in issuing visas.

Assuming appropriation of the necessary amounts, CBO estimates that the costs for these activities would total \$1.1 billion over the 2003-2007 period, most of which would be for adjudicating refugee and asylum claims. These costs include:

- *Refugee and Asylum Adjudication.* Current law authorizes the INS to collect fees to cover the costs of adjudicating applications for immigration services, such as citizenship and employment eligibility. (Those collections and the spending of them are recorded in the budget as direct spending.) The agency is permitted to set fees at a level to recover all such costs, including the costs of providing immigration services at no charge to certain individuals (including applicants for asylum and refugee status). Consequently, the INS charges fees that exceed the amount needed for cost recovery for some applicants in order to cover the costs of others. This practice would be prohibited by H.R. 5005. CBO expects this change would lead to approximately equal reductions in collections and direct spending.

To pay for the costs of processing asylum and refugee claims that would not be covered by fees, H.R. 5005 would authorize the appropriation of such sums as necessary. CBO estimates that implementing this provision would cost about \$180 million in 2003 and \$1 billion over the 2003-2007 period.

- *Ombudsman Program.* H.R. 5005 would require the BCIS to establish at least one local ombudsman office in each state to assist individuals and employers in resolving problems with the agency. We estimate that this service would cost about \$25 million annually, beginning in fiscal year 2004.
- *Office of Citizenship.* This new office would promote educational programs for aliens interested in becoming naturalized citizens. CBO estimates that operating the office would cost about \$1 million annually.

- *Office of Children's Services and Office of Statistics.* The bill would establish these two offices within the new BCIS. CBO estimates that additional costs to operate these offices would be less than \$1 million annually because most of the functions that they would perform are already being carried out by the INS.

## PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Two provisions of H.R. 5005 would increase direct spending for payments made from federal retirement funds. CBO estimates that implementing the voluntary separations provisions of Title IV would increase direct spending from the CSRDF by \$4 million over the 2003-2005 period. These additional retirements would increase mandatory spending for the FEHB program by \$1 million in 2004 and by insignificant amounts in other years. We further estimate that implementing Title IX (which would allow DHS to reclassify certain FPS employees as federal law enforcement officers) also would increase direct spending for payments from the CSRDF (because retirement benefits are more generous for such officers), but any such increases would be less than \$500,000 a year.

Two provisions would affect governmental receipts. CBO estimates that reclassifying FPS employees as law enforcement officers would increase revenues from employee contributions to the CSRDF by less than \$500,000 annually.

H.R. 5005 would alter the method by which certain importers pay duties for goods. Those importers must provide import activity statements to the Secretary of the Treasury under current law. The bill would change the timing of duties paid on the goods reported on such statements. Based on information from the United States Customs Service, CBO expects that this provision would have a negligible effect on revenues.

These changes are summarized in Table 3 below.

**TABLE 3. ESTIMATED EFFECTS OF H.R. 5005 ON DIRECT SPENDING AND RECEIPTS**

	By Fiscal Year, in Millions of Dollars										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Changes in outlays	0	1	3	1	0	0	0	0	0	0	0
Changes in receipts	0	0	0	0	0	0	0	0	0	0	0

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

H.R. 5005 contains intergovernmental mandates as defined in UMRA because it would require owners and operators of U.S. airports to provide notice to the Under Secretary of Homeland Security, by December 31, 2002, if they are unable to accommodate systems that detect explosives. Under current law, explosive detection systems must be installed by December 31, 2002. In addition, the bill could preempt state jurisdiction over certain liability cases. Such a preemption would be considered an intergovernmental mandate. CBO estimates that the costs to comply with those mandates would not be significant and would not exceed the threshold established in the act (\$58 million in 2002, adjusted annually for inflation). The remaining provisions of the bill contain no mandates and would impose no costs on state, local, or tribal governments. The bill contains no new private-sector mandates as defined in UMRA.

## **PREVIOUS CBO ESTIMATES**

On July 9, 2002, CBO transmitted a cost estimate for H.R. 5005 as introduced on June 24, 2002. The Select Committee's version of the bill contains several different provisions that would affect the costs of establishing the DHS. Our cost estimates reflect those differences.

On June 17, 2002, CBO transmitted a cost estimate for S. 2452, the National Homeland Security and Combating Terrorism Act of 2002, as ordered reported by the Senate Committee on Governmental Affairs on May 22, 2002. While both S. 2452 and H.R. 5005 would authorize the establishment of a Department of Homeland Security, they would consolidate different agencies to form the new department and would authorize some different activities for the new department. CBO's cost estimates for the two bills reflect those differences.

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