



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

January 20, 2012

### **H.R. 3071** **Presidential and Federal Records Act Amendments of 2011**

*As ordered reported by the House Committee on Oversight and Government Reform  
on November 17, 2011*

#### **SUMMARY**

H.R. 3071 would amend federal law regarding the preservation, storage, and management of records by federal agencies. The legislation would direct the National Archives and Records Administration (NARA) to issue regulations governing the preservation of e-mail and other electronic records in electronic format and establish procedures to prevent the unauthorized removal of classified records from NARA facilities. Finally, H.R. 3071 would amend the Presidential Records Act to give NARA additional authority to oversee management of the electronic records of the President.

CBO estimates that implementing H.R. 3071 would cost \$155 million over the 2012-2017 period, assuming appropriation of the necessary amounts. The legislation could also affect direct spending by agencies not funded through annual appropriations (such as the Tennessee Valley Authority) or by agencies considered to be off-budget (such as the U.S. Postal Service). Therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net increase in spending by those agencies would not be significant. Enacting the bill would not affect revenues.

H.R. 3071 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.

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

The estimated budgetary impact of H.R. 3071 is shown in the following table. The costs of this legislation fall within most budget functions that contain salaries and expenses.

	By Fiscal Year, in Millions of Dollars						2012- 2017
	2012	2013	2014	2015	2016	2017	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>							
Estimated Authorization Level	10	30	32	35	38	15	160
Estimated Outlays	5	30	32	35	38	15	155

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that the bill will be enacted in fiscal year 2012, that the necessary amounts will be appropriated for each year, and that spending will follow historical patterns for similar activities.

### **Federal Records Management**

Most of the provisions of H.R. 3071 would expand current practices of the federal government. Under the Federal Records Act, each agency is required to make and preserve records of its activities. To accomplish this, agencies are required to have appropriate systems to manage and preserve their records. The act also gives NARA the responsibility to oversee and issue guidance on managing federal records, including e-mail messages. Although current NARA regulations specifically require that e-mail messages be stored electronically, NARA allows agencies to print and file paper copies of e-mail records. H.R. 3071 would require agencies to implement systems over the next four years that would manage all e-mail records electronically.

CBO is not aware of any comprehensive information on the current capabilities of the federal government to manage records electronically or the costs to create a comprehensive e-mail records system. Information from the Office of Management and Budget (OMB), the Government Accountability Office (GAO), and NARA suggests that, although many agencies still use a print and file system for archiving such records, some agencies and offices archive e-mail messages electronically.

While most government documents are created in a computer format, GAO has reported that technical challenges associated with electronic record-keeping have hampered the development of electronic systems to archive records. Problems include the high volume of information collected on a daily basis, the increasing complexity of electronic records that include embedded images, sounds, links, spreadsheets, and a decentralized computer environment.

OMB has reported that the federal government spends about \$80 billion annually on information technology. Using information from selected federal agencies about the current status of government e-mail systems and the cost to enhance those systems to archive e-mail, CBO estimates that implementing H.R. 3071 would cost \$5 million in 2012 and \$155 million over the 2012-2017 period, assuming appropriation of the necessary amounts. Those amounts would cover the initial purchase of hardware to manage records as well as costs for licensing, implementing future system upgrades, and additional data storage. However, if technological advances, such as cloud computing (a system to increase IT capacity and capabilities by purchasing computer services over the Internet), is adopted by a significant number of agencies, the costs to archive e-mail records could be substantially lower.

### **Presidential Records Management**

H.R. 3071 also would amend the Presidential Records Act to change the process for making additional presidential records available, to prohibit access to presidential records to anyone convicted of a crime involving federal records, and to prohibit the President, Vice President, and their staff from using unofficial email systems for official business. Based on information from NARA, CBO estimates that implementing those provisions would have no significant cost.

### **Savings**

Electronically archiving e-mail could reduce the administrative costs agencies incur to print and file paper copies and to perform other tasks, such as fulfilling Freedom of Information Act requests and retiring records for judicial proceedings. CBO expects that any such savings over the next five years would be small.

### **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. Enacting H.R. 3071 could affect direct spending by agencies not funded through the appropriations process, but CBO estimates that such effects would not be significant in any year.

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

H.R. 3071 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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