



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

January 31, 2012

S. 2038 STOCK ACT

*As reported by the Senate Committee on Homeland Security and Governmental Affairs
on January 26, 2012*

S. 2038 would amend the Congressional Accountability Act of 1995 and the Ethics in Government Act. The legislation would require the Senate and the House of Representatives to implement an electronic filing system for financial disclosure forms and provide the public with on-line access to that information in a searchable database. S. 2038 also would make clear that Members of Congress, Congressional employees, and federal employees are prohibited from using nonpublic information for personal financial benefit. In addition, the legislation would require more timely reporting of information about financial transactions by Members and staff.

Based on information from Congressional staff, CBO estimates that implementing the financial disclosure system required under S. 2038 would cost \$4 million over the 2012-2013 period primarily for new computer hardware and software and additional labor. In addition, maintaining the new system would cost \$1 million annually, CBO estimates. In total, CBO estimates that implementing the legislation would cost about \$9 million over the 2012-2017 period, assuming appropriation of the necessary amounts.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. Enacting S. 2038 could increase revenues from civil and criminal fines imposed on federal employees who use nonpublic information for personal financial benefit or who fail to file financial disclosure forms; therefore, pay-as-you-go procedures apply. Civil fines are recorded in the budget as revenues and deposited into the general fund of the Treasury. Criminal fines are recorded as revenues, deposited in the Crime Victims Fund, and spent in subsequent years. CBO expects that any net effect associated with collecting and spending such penalties would not be significant in any year.

S. 2038 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.