

S. 4495, Promoting Responsible Evaluation and Procurement to Advance Readiness for Enterprise-wide Deployment for Artificial Intelligence Act

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on July 31, 2024

By Fiscal Year, Millions of Dollars	2025	2025-2029	2025-2034
Direct Spending (Outlays)	*	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	5	86	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	*	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	*	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

S. 4495 would authorize federal agencies to research and implement new processes to accelerate the development and acquisition of artificial intelligence (AI) systems. The bill would require federal agencies to assess the safety of their AI systems and to incorporate protections for data privacy and cybersecurity into AI procurement regulations. S. 4495 also would require agencies and the Government Accountability Office to report to the Congress on the effectiveness and security of federal AI systems.

Spending Subject to Appropriation. S. 4495 would authorize two pilot programs for acquiring AI systems. The authority for each program would expire five years after regulations governing its use are promulgated. CBO expects agencies would need two years to update their acquisition procedures before entering into the authorized contracts. First, S. 4495 would authorize federal agencies to procure AI systems through a new Commercial Technology Test Program. Under the program, agencies could enter contracts to develop new technologies in phases so that private sector entities could test and demonstrate the feasibility of such technology. Individual contracts under that authority would be limited to a maximum of \$25 million. Assuming that one new contract is signed per year at the

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



maximum funding limit under S. 4495 and using historical rates of spending for similar activities, CBO estimates that operating the test program would cost \$55 million over the 2025-2029 period.

Second, S. 4495 would authorize federal agencies to conduct research and acquire prototypes of new AI systems. Individual contracts under that authority would be limited to a maximum of \$10 million. Assuming that one new program is created per year at the maximum funding limit under S. 4495 and using historical rates of spending for similar activities, CBO estimates that implementing the research and development program would cost \$22 million over the 2025-2029 period.

S. 4495 also would require agencies to update acquisition governance and information technology policy procedures before acquiring new AI systems. In addition, agencies would have to regularly update the Congress on their adoption of AI systems and adherence to safety guidelines. On the basis of costs for similar activities, CBO estimates that satisfying the policy development and reporting requirements of S. 4495 would cost \$9 million over the 2025-2029 period.

The costs of the legislation, detailed in Table 1, fall within budget function 800 (general government). Such spending would be subject to the availability of appropriated funds.

Table 1.
Estimated Budgetary Effects of S. 4495

	By Fiscal Year, Millions of Dollars					2025-2029
	2025	2026	2027	2028	2029	
Spending Subject to Appropriation						
Commercial Technology Test Program						
Estimated Authorization	*	*	25	25	25	75
Estimated Outlays	*	*	10	21	24	55
Research and Development Pilot Program						
Estimated Authorization	*	*	10	10	10	30
Estimated Outlays	*	*	4	8	10	22
Agency Reports and Policy Development						
Estimated Authorization	5	1	1	1	1	9
Estimated Outlays	5	1	1	1	1	9
Total Spending Subject to Appropriation						
Estimated Authorization	5	1	36	36	36	114
Estimated Outlays	5	1	15	30	35	86

* = between zero and \$500,000.

In addition to the amounts shown here, enacting S. 4495 would increase direct spending by less than \$500,000 over the 2025-2034 period.



Direct Spending. Enacting the bill could affect direct spending by some agencies that are allowed to use fees, receipts from the sale of goods, and other collections to cover operating costs. CBO estimates that any net changes in direct spending by those agencies would be negligible because most of them can adjust amounts collected to reflect changes in operating costs.

The CBO staff contact for this estimate is Aldo Prospero. The estimate was reviewed by Christina Hawley Anthony, Deputy Director of Budget Analysis.

A handwritten signature in black ink that reads "Phillip L. Swagel".

Phillip L. Swagel
Director, Congressional Budget Office