



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 7, 2010

### **H.R. 2142** **Government Efficiency, Effectiveness, and Performance** **Improvement Act of 2010**

*As ordered reported by the House Committee on Oversight and Government Reform  
on May 20, 2010*

H.R. 2142 would require federal agencies to expand their efforts to evaluate the effectiveness of all federal programs by adding to the requirements under the Government Performance and Results Act of 1993 (GPRA), which requires federal agencies to define their mission and evaluate their performance. CBO estimates that implementing the new performance evaluation requirements would cost about \$150 million over the 2011-2015 period, subject to appropriation of the necessary funds. Enacting H.R. 2142 would not affect direct spending or revenues; therefore, pay-as-you-go procedures would not apply.

The bill would require federal agencies to: identify and assess their goals; submit strategic plans; designate agency improvement officers within each agency; establish a performance improvement council; impose additional reporting requirements for each agency's annual plan; and require several reports to the Congress from the Government Accountability Office regarding the evaluation of federal programs.

H.R. 2142 would expand the current performance requirements for federal programs as established under GPRA and other federal statutes, policies, and executive orders related to the evaluation of such programs. For many agencies, making the revisions to those practices that would be required by the bill would have a small effect on their budgets. For agencies that find deficiencies in their current practices, there could be more significant costs to evaluate and review their performance.

The President's budget for fiscal year 2011 requests \$100 million for 17 agencies to conduct evaluations of their performance similar to those that would be required under H.R. 2142. Additional costs under the bill would depend on how extensively agencies have already embraced performance evaluation and on the emphasis this effort would

place on specific agencies' programs. In total, CBO estimates that completing the required program evaluation for all major federal agencies (the 24 agencies and departments that employ a chief financial officer) would cost about \$150 million over the next five years.

Finally, implementing H.R. 2142 could lead to more effective management of government agencies at a lower cost. Any such savings would depend on amounts provided in future appropriation acts.

H.R. 2142 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act 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.