



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 14, 2015

### **S. 1550**

#### **Program Management Improvement Accountability Act**

*As ordered reported by the Senate Committee on Homeland Security  
and Governmental Affairs on June 24, 2015*

#### **SUMMARY**

S. 1550 would amend federal law with the aim to improve program and project management in the federal government. The bill would establish a council to be the primary interagency forum related to program and project management. The legislation also would add additional responsibilities to the Office of Management and Budget (OMB), and require agencies to designate a senior executive as the Program Management Improvement Officer. Finally, S. 1550 would establish standards for program and project management personnel.

CBO estimates that implementing S. 1550 would increase the administrative costs of federal agencies by a total of \$20 million over the 2016-2020 period; such spending would be subject to the availability of appropriated funds. Enacting S. 1550 could affect direct spending by some agencies (such as the Tennessee Valley Authority) because they are authorized to use receipts from the sale of goods, fees, and other collections to cover their operating costs. Therefore, pay-as-you-go procedures apply. Because most of those agencies can make adjustments to the amounts collected as operating costs change, CBO estimates that any net changes in direct spending by those agencies would not be significant. Enacting the bill would not affect revenues.

S. 1550 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 effect of S. 1550 is shown in the following table. The costs of this legislation fall primarily within budget function 800 (general government).

	By Fiscal Year, in Millions of Dollars					2016-2020
	2016	2017	2018	2019	2020	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	2	3	5	5	5	20
Estimated Outlays	2	3	5	5	5	20

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that S. 1550 will be enacted late in 2015 and that spending will follow historical patterns for similar activities.

Some provisions of the legislation would codify and expand upon current project management efforts such as the General Services Administration’s Performance Improvement Council where federal agencies and OMB collaborate to improve the performance of federal programs. However, based on information from OMB and the cost of similar councils, CBO anticipates that the workload of the 20 largest federal agencies would increase by as much as \$500,000 per year to meet the bill’s requirements to fund the council’s activities, prepare new reports, and conduct additional management training. CBO estimates that implementing S. 1550 would cost about \$5 million annually after a phase-in period. Over the 2016-2020 period, CBO estimates that implementing the bill would cost \$20 million for additional personal and training expenses; such spending would be subject to the availability of appropriated funds.

## **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 S. 1550 could affect direct spending by some agencies (such as the Tennessee Valley Authority) because they are authorized to use receipts from the sale of goods, fees, and other collections to cover their operating costs. Therefore, pay-as-you-go procedures apply. Because most of those agencies can adjust the amounts collected as operating costs change, CBO estimates that any net changes in direct spending by those agencies would not be significant. Enacting the bill would not affect revenues.

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

S. 1550 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

### **ESTIMATE PREPARED BY:**

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