



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 13, 2016

S. 1550 **Program Management Improvement Accountability Act**

*As ordered reported by the House Committee on Oversight
and Government Reform on May 17, 2016*

SUMMARY

S. 1550 would amend federal law with the aim to improve program and project management in the federal government. The legislation would establish a council to be the primary interagency forum for 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 2017-2021 period; such spending would be subject to the availability of appropriated funds. Enacting S. 1550 could affect direct spending by agencies not funded by annual appropriations; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net changes in direct spending by those agencies would be negligible. Enacting the legislation would not affect revenues.

CBO estimates that enacting S. 1550 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

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					2017-2021
	2017	2018	2019	2020	2021	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
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 2016 and that spending will follow historical patterns for similar activities.

Some provisions of the legislation would codify and expand current efforts for project management 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 requirements in the act 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 2017-2021 period, CBO estimates that implementing the legislation would cost \$20 million for additional personnel 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 be negligible. Enacting the legislation would not affect revenues.

INCREASE IN LONG-TERM NET DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 1550 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

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.

PREVIOUS CBO ESTIMATES

On September 14, 2015, CBO transmitted a cost estimate for S. 1550 as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on June 24, 2015. The two versions of S. 1550 are similar and CBO's estimates of the costs are the same.

ESTIMATE PREPARED BY:

Federal Costs: Matthew Pickford
Impact on State, Local, and Tribal Governments: Zachary Byrum
Impact on the Private Sector: Paige Piper/Bach

ESTIMATE APPROVED BY:

H. Samuel Papenfuss
Deputy Assistant Director for Budget Analysis