



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 9, 2010

H.R. 2142 **GPRA Modernization Act of 2010**

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on September 29, 2010*

H.R. 2142 would amend the Government Performance and Results Act of 1993 (GPRA), which requires federal agencies to define their missions and evaluate their performance. Specifically, the legislation would require federal agencies to expand their efforts to track and improve performance by: providing the Congress and the public with additional information on their current plans; incorporating their management goals and improvement plans into the GPRA performance evaluation process; and providing information on their performance via the Internet. In addition, the legislation would require training for employees who analyze and evaluate government programs, a report by the Government Accountability Office (GAO), and a study by the Office of Personnel Management regarding the evaluation of government programs.

Some provisions of H.R. 2142 would codify current policies and executive orders, including requirements that chief operating officers in each agency manage the performance and improvement process, appoint Performance Improvement Officers, and create and evaluate the Performance Improvement Council. Because those provisions of the bill are being carried out under current policies and executive orders, CBO estimates that implementing them would result in no additional federal costs.

GPRA requires all federal agencies to prepare performance plans annually and strategic plans every three years. Based on information from GAO, the Office of Management and Budget (OMB), and the Department of the Treasury, CBO estimates that the federal government spends between \$50 million and \$100 million annually to comply with current GPRA requirements.

Under the bill, CBO expects that most agencies' administrative workload would increase to carry out some of the requirements. In particular, additional costs would accrue from expanding public reporting on agencies' plans and performance, incorporating management goals and improvement plans into GPRA, and providing additional training for employees. We estimate that additional spending among the 23 major federal agencies would vary significantly but average around \$1 million a year each to implement those new requirements. In total, CBO estimates that implementing H.R. 2142

would expand GPRA requirements and increase spending \$75 million governmentwide over the 2011-2015 period, assuming the availability of appropriated funds.

The legislation would affect direct spending by agencies not funded through annual appropriations, such as the Bonneville Power Administration and the Federal Deposit Insurance Corporation; therefore, pay-as-you-go procedures apply. However, CBO estimates that any change in spending by those agencies would not be significant. Enacting H.R. 2142 would not affect revenues.

Finally, implementing H.R. 2142 eventually could lead to more effective management of government agencies at a reduced cost. Additionally, placing more reporting online could result in lower costs in the future. All such savings would be discretionary, would depend on amounts provided in future appropriation acts, and would be small over the next five years.

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.

On June 7, 2010, CBO transmitted a cost estimate for H.R. 2142, the Government Efficiency, Effectiveness, and Performance Act of 2010, as ordered reported by the House Committee on Oversight and Government Reform on May 20, 2010. Both versions of the legislation would change the Government Performance and Results Act of 1993, but in different ways. CBO's cost estimates reflect those differences.

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