



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 29, 2018

S. 3050 **21st Century IDEA**

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on September 26, 2018*

S. 3050 would require agencies to update their websites, increase the use of electronic forms, implement the use of e-signatures, standardize information technology (IT) throughout the federal government, and improve the overall government IT experience for users.

Reports on www.digital.gov indicate that the U.S. government has about 6,000 websites and over 400 domains. The Administration estimates that the federal government has over 23,000 forms—some on paper and some in various stages of digital form. The federal government spends about \$95 billion annually on IT services, and according to the *Budget of the U.S. Government, Fiscal Year 2019: Analytical Perspectives*: “federal agencies have a poor track record of appropriately planning and budgeting for continuous modernization of their legacy IT systems. Further, transition to other services such as cloud and shared services remains slow.” Recent Administrations have made improvements to IT a management priority, and those efforts continue.

S. 3050 does not specifically authorize an appropriation of funds for agencies to achieve the goals of the legislation. Many of the provisions would generally codify current policies and practices. From CBO’s review of the current federal digital environment, it is not clear that agencies would take any extra steps to implement S. 3050 beyond those measures already under way or planned.

Several Government Accountability Office reports have indicated that many agencies, including the Department of Veterans Affairs and the Internal Revenue Service, have invested billions of dollars in IT programs that have had significant cost overruns and many operational problems.¹ In CBO’s view, implementing S. 3050 would not lead to additional costs beyond those already expected. If agencies did respond to the legislation with greater efforts to expand electronic forms and signatures and generally enhance IT services, those efforts would probably involve discretionary costs of at least \$100 million

1. Government Accountability Office, *VA IT Modernization: Preparations for Transitioning to a New Electronic Health Record System Are Ongoing*, GAO-18-636T (June 26, 2018), www.gao.gov/Products/GAO-18-636T, and *Information Technology: Management Attention Is Needed to Successfully Modernize Tax Processing Systems*, GAO-18-153T (October 4, 2017), www.gao.gov/products/GAO-18-153T.

over the next five years. An expenditure of that scale evenly distributed across 20 major federal department and agencies would average \$1 million per year for five years for each department or agency.

Enacting S. 3050 could affect direct spending by some agencies (the Tennessee Valley Authority, for example) that are authorized to use fees, receipts from the sale of goods, and other collections to cover their operating costs; therefore, pay-as-you-go procedures apply. Because most such agencies can adjust the amounts they collect, however, CBO estimates that any net changes in direct spending would not be significant. Enacting the bill would not affect revenues.

CBO estimates that enacting S. 3050 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 3050 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

On November 28, 2018, CBO transmitted a cost estimate for H.R. 5759, the 21st Century IDEA as ordered reported by the House Committee on Oversight and Government Reform on September 27, 2018. The two bills are similar and CBO's estimates of the budgetary effects are the same.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.