



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 28, 2008

### **S. 3384**

#### **Information Technology Investment Oversight Enhancement and Waste Prevention Act of 2008**

*As reported by the Senate Committee on Homeland Security and Governmental Affairs  
on October 1, 2008*

S. 3384 would amend federal law regarding the oversight of project planning for information technology (IT) systems. The legislation would require chief information officers to identify critical IT projects and would subject each IT project to additional reporting, planning, and monitoring requirements, including corrective actions for projects that fail to meet applicable standards. S. 3384 also would establish an IT Strike Force (a group of information technology experts) overseen by the Office of Management and Budget (OMB) to respond to problems with individual IT projects. CBO estimates that implementing those provisions would cost between \$25 million and \$50 million over the 2009-2013 period, subject to the availability of appropriated funds.

Most of the provisions of S. 3384 would expand the current practices of the federal government. Under the Clinger-Cohen Act of 1996, agencies are required to analyze, track, and evaluate the risks and results of major capital investments in information systems. To accomplish this, OMB uses a Management Watch List to monitor and plan agencies' IT investments. OMB also evaluates each agency's capability to manage its investments.

According to the Government Accountability Office, OMB and federal agencies have identified more than 400 IT projects—costing \$25.2 billion in 2008—as being poorly planned, poorly performing, or both.

Based on information from OMB and some agencies, CBO expects that complying with the reporting provisions of S. 3384 would increase the administrative expenses of most federal agencies, but because of the large number of agencies and computer systems involved, we cannot precisely estimate the likely total costs. Reporting costs over the 2009-2013 period would generally come from agencies' salary and expense budgets which are subject to appropriation and would likely total a few million dollars annually. In addition, there could be additional costs to implement and deploy the IT Strike Force established by the bill. Those costs also would be subject to the availability of appropriated funds and could total

a few million dollars a year, depending on the number of employees deployed. Enacting the bill would not affect direct spending or revenues.

S. 3384 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. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.