



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 7, 2002

S. 803

E-Government Act of 2002

*As ordered reported by the Senate Committee on Governmental Affairs
on March 21, 2002*

SUMMARY

S. 803 would authorize appropriations for programs to improve electronic access to government information and services. The bill also would specifically authorize and centralize many Internet-related activities currently underway throughout the government. For example, S. 803 would establish an Office of Electronic Government within the Office of Management and Budget (OMB) and a Chief Information Officers Council. Assuming appropriation of the necessary amounts, we estimate that implementing S. 803 would cost about \$50 million in 2003 and about \$500 million over the 2003-2007 period.

The bill would not affect direct spending or receipts, so pay-as-you-go procedures would not apply. S. 803 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

As shown in the following table, CBO estimates that implementing S. 803 would cost about \$500 million over the 2003-2007 period, subject to appropriation of the necessary amounts. The costs of this legislation fall within budget functions 250 (general science, space, and technology), 500 (education, training, employment, and social services), and 800 (general government).

	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Specified Authorization Level	80	54	102	150	0
Estimated Outlays	44	37	56	92	0
Estimated Authorization Level	10	33	36	38	192
Estimated Outlays	9	33	36	38	166
Total Estimated Authorization Level	90	87	138	188	192
Total Estimated Outlays	53	70	92	130	166

BASIS OF ESTIMATE

For this estimate, we assume that the necessary amounts will be provided each year and that spending will follow historical patterns for similar activities. CBO estimates that S. 803 would authorize the appropriation of approximately \$700 million over the 2003-2007 period for the management and promotion of electronic government services and processes. This estimate assumes that funding would be adjusted for anticipated inflation.

Specific Authorizations

The bill would authorize the appropriation of about \$385 million over the 2003-2006 period for the following activities:

- \$368 million for the General Services Administration (GSA) to fund the E-Government Fund for interagency projects, develop electronic signatures for executive agencies, and maintain and promote the federal Internet portal. For 2002, \$5 million was appropriated for this program that supports interagency electronic government initiatives to provide individuals, businesses, and other governmental agencies more timely access to federal information, benefits, services, and business opportunities.
- \$6.9 million for the National Science Foundation to develop and maintain a database and website devoted to research and development conducted by federal agencies and to study disparities in access to the Internet;

- \$7 million for the Office of Personnel Management to oversee the development and operation of a Federal Information Technology Center; and
- \$4 million for the Department of Education to study, develop, and maintain community development centers.

In addition, S. 803 would authorize the appropriation of approximately \$41 million for other ongoing efforts, including developing electronic signatures, maintaining and promoting the federal Internet portal, and developing and maintaining databases and websites for federally funded research, information technology training, and education.

Estimated Authorizations

S. 803 also would authorize such sums as necessary during the next five years for those ongoing electronic government programs. CBO estimates that to continue the activities that would be authorized by the bill over the next five years would require the appropriation of an additional \$309 million over the 2003-2007 period for the management and promotion of electronic government services and processes.

Savings

The use of electronic information systems to collect information from the public and to provide government services could reduce administrative costs at federal agencies. Implementing S. 803 could help the government achieve such savings; however, CBO has no basis for estimating any such potential savings over the next few years.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 803 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:

Federal Costs: Matthew Pickford

Impact on State, Local, and Tribal Governments: Susan Sieg Tompkins

Impact on the Private Sector: Paige Piper/Bach

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis