

BILLION DOLLAR BOONDOGGLE
ACT OF 2023

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 1258

TO REQUIRE THE DIRECTOR OF THE OFFICE OF
MANAGEMENT AND BUDGET TO SUBMIT TO CONGRESS AN
ANNUAL REPORT ON PROJECTS THAT ARE OVER BUDGET
AND BEHIND SCHEDULE, AND FOR OTHER PURPOSES



FEBRUARY 9, 2024.—Ordered to be printed

U.S. GOVERNMENT PUBLISHING OFFICE

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{ REPORT
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BILLION DOLLAR BOONDOGGLE ACT OF 2023

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Mr. PETERS, from the Committee on Homeland Security and
Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 1258]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 1258) to require the Director of the Office of Management and Budget to submit to Congress an annual report on projects that are over budget and behind schedule, and for other purposes, having considered the same, reports favorably thereon without amendment, and recommends that the bill do pass.

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I. PURPOSE AND SUMMARY

S. 1258, the *Billion Dollar Boondoggle Act of 2023*, directs the Office of Management and Budget (OMB) to issue guidance requiring federal agencies to report annually to Congress regarding certain federally funded projects that (1) are more than five years behind schedule, or (2) have expenditures that are at least \$1 billion more than the original cost estimate for the project. The reported information must include a brief description of each project; an explanation of any change to the original scope of the project; the original and current expected dates of completion; the original and

current cost estimates; an explanation of the delay in completion or increase in cost estimate; and if applicable, the amount of and rationale for any award, incentive fee, or bonus paid for the project. The bill requires the Director of OMB to issue guidance to agencies implementing the reporting requirement within one year of the enactment of this Act.

II. BACKGROUND AND NEED FOR THE LEGISLATION

The federal government has an obligation to provide the oversight necessary to ensure taxpayer dollars are spent responsibly. Although various reporting and oversight mechanisms exist for federal spending and projects, there are still examples of projects that become delayed or significantly exceed their original expected costs. For example, federal information technology (IT) projects, which total more than \$100 billion in investments per year, often fail to deliver needed capabilities timely and within budget. This has resulted in management of IT acquisitions and operations appearing on the General Accountability Office’s (GAO) High Risk List every year since being added in 2015, with no improvement in GAO’s ratings in this area since 2017.¹ In another example, GAO found that as of March 2023, a group of 18 “major projects” at the National Nuclear Security Administration were collectively projected to exceed their cost estimates by over \$2 billion.²

The *Billion Dollar Boondoggle Act of 2023* would help ensure Congress is informed when federally-funded projects are well behind schedule or substantially over budget. A similar requirement for the Department of Transportation to report to Congress on agency projects that are behind schedule or over budget passed in a provision of the Infrastructure Investment and Jobs Act in 2022.³ The *Billion Dollar Boondoggle Act of 2023* would apply reporting requirements for overdue and over-budget projects across the federal government.

III. LEGISLATIVE HISTORY

Senator Joni Ernst (R-IA) introduced S. 1258, the *Billion Dollar Boondoggle Act of 2023*, on April 25, 2023, with original cosponsors Senator Margaret Wood Hassan (D-NH), Senator Rand Paul (R-KY), Senator Rick Scott (R-FL), and Senator Mike Braun (R-IN). Senator Jacky Rosen (D-NV) joined as a cosponsor on October 25, 2023. The bill was referred to the Committee on Homeland Security and Governmental Affairs.

The Committee considered S. 1258 at a business meeting on October 25, 2023. During the business meeting, the bill was ordered reported favorably by roll call vote of 11 yeas to 0 nays, with Senators Peters, Hassan, Sinema, Rosen, Ossoff, Blumenthal, Butler, Paul, Lankford, Romney, and Scott voting in the affirmative. Senators Carper, Johnson, Hawley, and Marshall voted yea by proxy, for the record only.

¹ Government Accountability Office, *High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas* (GAO-23-106203) (Apr. 20, 2023).

² Government Accountability Office, *National Nuclear Security Administration: Assessments of Major Projects* (GAO-23-104402) (Aug. 17, 2023).

³ Section 11319, Infrastructure Investment and Jobs Act, Pub. L. No. 117-58.

IV. SECTION-BY-SECTION ANALYSIS OF THE BILL, AS REPORTED

Section 1. Short title

This section establishes the short title of the bill as the “Billion Dollar Boondoggle Act of 2023.”

Section 2. Annual report

Subsection (a) defines the terms “covered agency,” “covered project,” and “project.” A “covered project” means a project that is more than five years behind schedule, as measured against the original expected date for completion, or a project for which the amount spent is at least \$1 billion more than its original cost estimate.

Subsection (b) directs the Director of OMB to issue guidance, not later than one year after the date of enactment, for covered agencies to include information in annual reporting to Congress about covered projects. The reported information must include: (1) a brief description of the project, including its purpose, location, award number, year of initiation, federal share of cost, and each contractor and recipient of the covered project; (2) an explanation of any change to the scope of the project; (3) the original and current expected dates for completion; (4) the original and current cost estimates, as adjusted to reflect increases in the Consumer Price Index; (5) an explanation for a delay in completion or an increase in the cost estimate, including any impact of insufficient or delayed appropriations; and (6) the amount of and rationale for any award, incentive fee, or other type of bonus awarded for the project.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill and determined that the bill will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office’s statement that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

S. 1258, Billion Dollar Boondoggle Act of 2023			
As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on October 25, 2023			
By Fiscal Year, Millions of Dollars	2024	2024-2028	2024-2033
Direct Spending (Outlays)	*	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Statutory pay-as-you-go procedures apply? Yes	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Mandate Effects	
		Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

S. 1258 would require agencies to report on any of their projects that are \$1 billion or more over budget or more than five years behind schedule. Those reports would include a description of the project, any changes to the project's requirements, the original due date and expected completion date, and some financial information. The bill also would require the Office of Management and Budget to issue guidance on the reporting requirements.

While CBO does not have comprehensive information on the number of projects governmentwide that are at least \$1 billion over budget or are more than five years behind schedule, we expect that such projects are tracked closely by agencies and that the bulk of the additional work under the bill would be from compiling and reporting on that information. Therefore, using information about similar reporting requirements, CBO estimates that implementing S. 1258 would cost less than \$500,000 over the 2024–2028 period. That spending would be subject to the availability of appropriated funds.

Enacting S. 1258 also could affect direct spending by some agencies that are allowed to use fees, receipts from the sale of goods, and other collections to cover operating costs. CBO estimates that any net changes in direct spending by those agencies would be negligible because most of them can adjust amounts collected to reflect changes in operating costs.

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

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation would make no change in existing law, within the meaning of clauses (a) and (b) of subparagraph 12 of rule XXVI of the Standing Rules of the Senate, because this legislation would not repeal or amend any provision of current law.

