CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 8, 1998

S. 1325

Technology Administration Authorization Act for Fiscal Years 1998, 1999, and 2000

As ordered reported by the Senate Committee on Commerce, Science, and Transportation on April 30, 1998

SUMMARY

S. 1325 would authorize appropriations for fiscal years 1998 through 2000 for various technology programs in the Department of Commerce. Funds would be authorized for the National Institute of Standards and Technology (NIST), for the office of the Undersecretary for Technology, and for administrative support for the International Arctic Research Center. The bill would authorize several new initiatives at NIST, including a program for teacher enhancement in science and technology, and an experimental program to stimulate competitive technology. Other provisions would modify the terms of existing programs, including one that would authorize NIST to transfer title to tangible personal property to recipients of Advanced Technology Program (ATP) funding under certain conditions. NIST also would be allowed to extend the duration of financial support provided to regional centers for the transfer of manufacturing technology.

Assuming appropriation of the authorized amounts, CBO estimates that implementing S. 1325 would result in additional discretionary spending totaling $1.3 billion over the 1999-2003 period. Provisions regarding the transfer of title to personal property could affect direct spending; therefore, pay-as-you-go procedures would apply to the bill. CBO estimates, however, that the impact on direct spending would not be significant in any one year. S. 1325 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1325 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit). For the purposes of this estimate, CBO assumes that all amounts authorized will be appropriated near the beginning of each fiscal year and that outlays will follow the historical spending patterns for the affected programs. This bill could affect direct spending if NIST chose to transfer title to some of the personal property acquired under ATP that otherwise would have been sold as surplus property under current law. Based on information provided by NIST, however, CBO estimates that the potential loss in sale receipts would not be significant in any one year. Other provisions of the bill would have no significant budgetary impact.

	By Fiscal Year, in Millions of Dollars					
	1998	1999	2000	2001	2002	2003
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law						
Budget Authority [a]	681	0	0	0	0	0
Estimated Outlays	627	376	237	120	19	11
Proposed Changes						
Authorization Level	0	689	694	0	0	0
Estimated Outlays	0	268	427	298	246	110
Spending Under S. 1325						
Authorization Level [a]	681	689	694	0	0	0
Estimated Outlays	627	644	664	418	265	121

a. The 1998 level is the amount appropriated for that year.

PAY-AS-YOU-GO CONSIDERATIONS

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending and receipts. Provisions in S. 1325 authorizing NIST to convey title to personal property could affect direct spending, but CBO estimates that the cost would not be significant in any single year.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 1325 contains no intergovernmental mandates as defined in UMRA, but several sections of the bill would affect grant programs that benefit state and local governments. The bill would authorize appropriations totaling about $229 million for the 1999-2000 period for the Manufacturing Extension Partnership (MEP), a program jointly financed by the federal government and state or local agencies. The MEP is a program designed to enhance productivity and technological performance in the United States and is made up of the State Technology Extension Program (STEP) and the Manufacturing Extension Centers Program (MECP). STEP provides technical assistance and planning grants to states to develop or revitalize their technology programs. MECP involves cooperative agreements between the federal government and nonprofit institutions that are often funded by state or local development agencies or universities. The fiscal year 1998 funding for the entire MEP program was $114 million.

The bill would extend the length of time that the manufacturing extension centers are eligible to receive federal funding. Under current law, cooperative agreements last as long as six years. Such agreements provide up to 50 percent funding for the centers in the first three years and a declining percentage in subsequent years. The bill would allow a center to continue receiving federal funding after the sixth year as long as it passed periodic reviews.

S. 1325 would also authorize a new program to strengthen the technological competitiveness of states that have historically received less federal research and development funds than other states. Grants, which would require at least a 25 percent match, would be available to consortia including state and local governments. The Congress appropriated $1.6 million for this program for fiscal year 1998, and the bill would authorize appropriations of $3 million for fiscal year 1999.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill would impose no new private-sector mandates as defined in UMRA.

PREVIOUS CBO ESTIMATE

On April 19, 1997, CBO transmitted a cost estimate for H.R. 1274, the National Institute of Standards and Technology Authorization Act of 1997, as ordered reported by the House

Committee on Science on April 16, 1997. Differences between the estimates are attributable to differences in the two bills.

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