



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 26, 2001

H.R. 2501

Appalachian Regional Development Reauthorization Act of 2001

*As ordered reported by the House Committee on Transportation and Infrastructure
on July 18, 2001*

SUMMARY

CBO estimates that H.R. 2501 would authorize the appropriation of \$473 million for the Appalachian Regional Commission over the 2002-2006 period. The bill would establish an Interagency Coordinating Council on Appalachia and create a program to provide enhanced access to telecommunications and technology. H.R. 2501 also would expand the definition of the region to include six additional counties: three in Kentucky and three in Mississippi. Under H.R. 2501, these six counties would be eligible to receive grants from the commission. CBO estimates that implementing H.R. 2501 would cost \$246 million over the 2002-2006 period, assuming the appropriation of the necessary amounts. Because this bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

H.R. 2501 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). New authorizations of appropriations totaling \$413 million over the 2002-2006 period would support a variety of grant programs to state and local governments in the Appalachian region. In addition, CBO estimates that a total of \$60 million would be authorized over the 2002-2006 period for telecommunications and technology assistance to those governments. Any costs associated with applying for or implementing those grants would be voluntary.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2501 is shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars					
	2001	2002	2003	2004	2005	2006
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for the Appalachian Regional Commission						
Budget Authority ^a	77	0	0	0	0	0
Estimated Outlays	118	92	66	36	18	7
Proposed Changes						
Estimated Authorization Level	0	88	91	95	98	101
Estimated Outlays	0	9	27	54	71	85
Spending Under H.R. 2501 for the Appalachian Regional Commission						
Estimated Authorization Level ^a	77	88	91	95	98	101
Estimated Outlays	118	101	93	90	89	92

a. The 2001 level is the amount appropriated for that year for the Appalachian Regional Commission.

BASIS OF ESTIMATE

For this estimate we assume the necessary amounts will be provided each year and that spending will follow historical patterns. CBO estimates that implementing H.R. 2501 would cost \$246 million over the next five years.

H.R. 2501 would authorize the appropriation of \$413 million over the 2002-2006 period for the Appalachian Regional Commission to provide grants to state and local governments to support economic and social development within Appalachia. In addition, the bill would create a program to provide enhanced access to telecommunications and technology and authorize the appropriation of \$10 million in fiscal year 2002 and such sums as are necessary over 2003-2006 period. Assuming annual adjustments for anticipated inflation, we estimate that this provision of H.R. 2501 would authorize the appropriation of \$60 million over the five-year period for this new program.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2501 contains no intergovernmental or private-sector mandates as defined in UMRA. New authorizations of appropriations totaling \$413 million over the 2002-2006 period would support a variety of grant programs to state and local governments in the Appalachian region. In addition, CBO estimates that a total of \$60 million would be authorized over the 2002-2006 period for telecommunications and technology assistance to those governments. Any costs associated with applying for or implementing those grants would be voluntary.

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