



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 8, 2003

H.R. 587

A bill to amend title 40, United States Code, to make additions to the Appalachian region, and for other purposes

*As ordered reported by the House Committee on Transportation and Infrastructure
on October 1, 2003*

SUMMARY

H.R. 587 would add certain counties in Kentucky, Ohio, Tennessee, and Virginia to the Appalachian region and would authorize such counties to receive assistance from the Appalachian Regional Commission (ARC). ARC provides grants to the 13 states in the Appalachian region to promote economic and social development.

H.R. 587 also would authorize the appropriation of \$3 million in each of fiscal years 2004, 2005, and 2006 for such assistance. Based on historical spending patterns of ARC, CBO estimates that implementing the bill would cost \$7 million over the 2004-2008 period, subject to appropriation of the specified amounts. Enacting H.R. 587 would have no impact on direct spending or revenues.

H.R. 587 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would benefit state and local governments in the Appalachian region.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 587 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					
	2003	2004	2005	2006	2007	2008
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for the Appalachian Regional Commission						
Authorization Level ^a	71	88	90	92	0	0
Estimated Outlays	80	85	74	77	76	61
Proposed Changes						
Authorization Level	0	3	3	3	0	0
Estimated Outlays	0	0	1	2	2	2
Spending Under H.R. 587 for the Appalachian Regional Commission						
Authorization Level ^a	71	91	93	95	0	0
Estimated Outlays	80	85	75	79	78	63

a. The 2003 level is the amount appropriated for that year.

BASIS OF ESTIMATE

Under current law, ARC is authorized to receive appropriations totaling \$270 million over fiscal years 2004, 2005, and 2006. H.R. 587 would authorize the appropriation of an additional \$3 million in each of those fiscal years for the ARC to make grants to the 13 states in the Appalachian region for economic and social development projects. Based on historical spending patterns, CBO estimates that implementing H.R. 587 would cost \$7 million over the five-year period, subject to the appropriation of the specified amounts.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 587 contains no intergovernmental mandates or private-sector mandates as defined in UMRA. New counties added to the Appalachian region, along with other counties and states in this region, would benefit from an increase in the authorizations of appropriations of \$9 million over fiscal years 2004 through 2006 for a variety of grant programs. Any costs to those governments would be incurred voluntarily as conditions of receiving federal aid. This bill would not affect the budgets of other state, local, or tribal governments.

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