



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 11, 2005

H.R. 250

Manufacturing Technology Competitiveness Act of 2005

As ordered reported by the House Committee on Science on May 4, 2005

SUMMARY

CBO estimates that H.R. 250 would authorize the appropriation of about \$2.1 billion for fiscal years 2006 through 2008 for programs administered by the National Institute of Standards and Technology (NIST) and the National Science Foundation (NSF). Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 250 would cost \$366 million in 2006 and about \$2 billion over the 2006-2010 period. Enacting this bill would not affect direct spending or revenues.

H.R. 250 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA); any costs to state, local, or tribal governments would result from complying with conditions of federal assistance.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 250 is shown in the following table. The costs of this legislation fall within budget functions 370 (commerce and housing credit) and 250 (science, space, and technology).

	By Fiscal Year, in Millions of Dollars					
	2005	2006	2007	2008	2009	2010
SPENDING SUBJECT TO APPROPRIATION						
NSF and NIST Spending Under Current Law						
Budget Authority ^a	738	0	0	0	0	0
Estimated Outlays	646	347	164	64	23	7
Proposed Changes						
Estimated Authorization Level	0	668	701	720	0	0
Estimated Outlays	0	366	563	641	295	120
NSF and NIST Spending Under H.R. 250						
Authorization Level ^a	738	668	701	720	0	0
Estimated Outlays	646	713	727	705	318	127

a. The 2005 level is the amount appropriated for that year for NIST and for the Advanced Technological Education Program at NSF.

BASIS OF ESTIMATE

CBO estimates that implementing H.R. 250 would cost \$366 million in 2006 and \$2.0 billion over the 2006-2010 period, assuming appropriation of the necessary amounts. For this estimate, CBO assumes that amounts authorized would be appropriated near the beginning of each fiscal year and that outlays would follow historical spending patterns of NIST and NSF programs.

H.R. 250 would specifically authorize the appropriation of about \$2.1 billion for fiscal years 2006 through 2008 for programs related to manufacturing technology. The bill authorizes \$1.9 billion for various programs administered by NIST, including four new grant programs that would be established under the bill. The bill also would authorize \$173 million for a grant program administered by NSF. Estimated outlays from these amounts would total about \$2 billion over the 2006-2010 period.

Finally, H.R. 250 would provide for an interagency committee on research and development in the field of manufacturing and an advisory committee to provide recommendations to the interagency committee. According to the Department of Commerce, two committees that operate under current law would carry out these new responsibilities at no additional cost.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 250 contains no intergovernmental or private-sector mandates as defined in UMRA, but several sections of the bill would affect grant programs that benefit state and local governments. The bill would allow for a Regional Center for the Transfer of Manufacturing Technology that does not receive a positive evaluation to be placed on a one-year probation period with a reevaluation occurring after the probationary period. Under current law, such a center would not receive a probationary period and would not receive funding for the fourth through the sixth year of the grant period.

H.R. 250 also would authorize two new grant programs for state and local government and for institutions of higher education. One grant would be a pilot grant to encourage partnerships that could include state and local governments. These grants, which would be for one-third of the cost of the partnership, would be available for a three-year period. Grants to institutions of higher education would also be authorized to support the development of curricula on the role of standards in the fields of engineering, business, science, and economics.

Any costs to state, local, or tribal governments arising from H.R. 250 would result from complying with conditions of the grant programs.

ESTIMATE PREPARED BY:

Federal Costs: Melissa E. Zimmerman

Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum

Impact on the Private Sector: Craig Cammarata

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis