



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 25, 2005

H.R. 873

Northern Mariana Islands Delegate Act

As ordered reported by the House Committee on Resources on May 18, 2005

SUMMARY

H.R. 873 would provide Congressional representation for the Commonwealth of the Northern Mariana Islands (CNMI) by creating a nonvoting delegate in the House of Representatives beginning in January 2007 (110th Congress). As a nonvoting Member, the delegate would have some of the same powers of a full-fledged Member including the ability to introduce bills, offer amendments, and vote in House committees but would not be able to vote on the floor of the House. In addition, the delegate would receive the same compensation, allowances, and benefits as a Member. Under current law, the Northern Mariana Islands elects a Resident Representative who represents the CNMI government in the United States but has no official status in the Congress.

CBO estimates that enacting the bill would increase direct spending by about \$200,000 in 2007 and by about \$2 million over the 2007-2015 period. In addition, implementing the bill would have discretionary costs of approximately \$1 million in 2007 and \$5 million over the 2007-2010 period, assuming the appropriation of the necessary funds.

H.R. 873 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.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 873 is shown in the following table. The costs of this legislation fall within budget function 800 (general government).

By Fiscal Year, in Millions of Dollars

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|------|------|------|------|------|------|------|------|------|------|
|--|------|------|------|------|------|------|------|------|------|------|

CHANGES IN DIRECT SPENDING

| | | | | | | | | | | |
|------------------------------|---|---|---|---|---|---|---|---|---|---|
| Delegate Salary and Benefits | | | | | | | | | | |
| Estimated Budget Authority | 0 | * | * | * | * | * | * | * | * | * |
| Estimated Outlays | 0 | * | * | * | * | * | * | * | * | * |

CHANGES IN SPENDING SUBJECT TO APPROPRIATION

| | | | | | | | | | | |
|--------------------------------------|---|---|---|---|---|---|---|---|---|---|
| Delegate's Office and Administration | | | | | | | | | | |
| Estimated Authorization Level | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Estimated Outlays | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

NOTE: * = less than \$500,000.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted near the start of fiscal year 2006 and that spending will follow historical patterns for Congressional spending.

Direct Spending

Enacting H.R. 873 would increase direct spending for the payment of the salary of the new nonvoting delegate and the costs of associated benefits. CBO estimates that the increase in direct spending for Congressional salaries and benefits would be about \$2 million over the 2007-2015 period. That estimate assumes that the current annual salary of \$162,100 would be adjusted for inflation. With benefits, the 2007 cost would be just above \$200,000.

Spending Subject to Appropriation

Based on the current administrative and expense allowances available for Members and other typical office costs, CBO estimates that the addition of a new nonvoting delegate would cost about \$1 million in fiscal year 2007 and about \$5 million over the 2007-2010 period, subject to the availability of appropriated funds.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 873 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

The bill does not require CNMI to select a delegate, but if it chooses to do so, it would require the government of CNMI to hold biennial elections in even years. (All CNMI elections now take place in odd years.) Based on information provided by CNMI officials, we estimate that the cost of each election would be about \$25,000. CNMI would save substantially more than that, however, because it would no longer pay for a Resident Representative in Washington once a delegate was elected and in place. All the expenses of the delegate's office would be paid by the federal government.

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