



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 13, 2006

### **S. 2832**

#### **Appalachian Regional Development Act Amendments of 2006**

*As ordered reported by the Senate Committee on Environment and Public Works  
on May 23, 2006*

#### **SUMMARY**

S. 2832 would authorize the appropriation of \$511 million for the Appalachian Regional Commission over the 2007-2011 period. The commission provides grants to state and local governments to support economic development within the Appalachian region. S. 2832 also would amend limitations on the size of awards to grantees.

CBO estimates that implementing S. 2832 would cost \$267 million over the 2007-2011 period and \$244 million more after 2011, assuming the appropriation of the authorized amounts. Enacting the bill would not affect direct spending or revenues.

S. 2832 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would benefit local governments in the Appalachian region.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 2832 is shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development). For this estimate we assume that the authorized amounts will be provided each year and that spending will follow historical patterns for the Appalachian Regional Commission. CBO estimates that implementing S. 2832 would cost \$267 million over the next five years.

	By Fiscal Year, in Millions of Dollars					
	2006	2007	2008	2009	2010	2011
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending Under Current Law for the Appalachian Regional Commission						
Budget Authority	65	0	0	0	0	0
Estimated Outlays	64	60	47	26	15	7
Proposed Changes						
Authorization Level	0	95	99	102	106	109
Estimated Outlays	0	10	29	59	77	92
Spending Under S. 2832 for the Appalachian Regional Commission						
Authorization Level	65	95	99	102	106	109
Estimated Outlays	64	70	76	85	92	99

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 2832 contains no intergovernmental or private-sector mandates as defined in UMRA. Assuming the appropriation of the authorized amounts, counties in the Appalachian region would receive an additional \$500 million over the next several years for a variety of grant programs. In addition, this bill would increase the funding available to certain counties that are at risk of becoming economically distressed. Any costs to those governments would be incurred voluntarily as conditions of receiving federal assistance. This bill would not affect the budgets of other state, local, or tribal governments.

### **ESTIMATE PREPARED BY:**

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