



# CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 19, 2008

## **Economic Development Revitalization Act of 2008**

*As ordered reported by the Senate Committee on Environment and Public Works  
on September 17, 2008*

### **SUMMARY**

This legislation would reauthorize the Economic Development Administration (EDA) through 2013. Assuming appropriation of the specified amounts, CBO estimates that implementing this bill would cost about \$1.1 billion over the 2009-2013 period and about \$1.2 billion thereafter. Enacting this legislation would not affect direct spending or revenues.

This bill 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 the legislation 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					2008- 2013
	2009	2010	2011	2012	2013	2013
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Authorization Level	400	425	450	475	500	2,250
Estimated Outlays	20	109	204	328	428	1,089

## **BASIS OF ESTIMATE**

This legislation would authorize the appropriation of \$400 million in 2009 and \$2.25 billion over the next five years for EDA to provide various types of grants to encourage economic development in distressed communities. The bill also would increase the federal share of the cost for economic development projects undertaken by Indian tribes and those located in disaster-declared areas. For fiscal year 2008, the Congress provided about \$350 million to EDA assistance programs in regular and supplemental appropriations (see Public Laws 110-161 and 110-252).

For this estimate CBO assumes this legislation will be enacted at the beginning of fiscal year 2009 and amounts specified in the bill will be appropriated. Based on historical spending patterns of EDA programs, CBO estimates that assistance provided by the EDA under this legislation would cost about \$1.1 billion over the next five years.

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

This bill contains no intergovernmental or private-sector mandates as defined in UMRA. State, local, and tribal governments would benefit from funds for economic development activities authorized by this bill. Any costs these governments incur, including providing matching funds, would be incurred voluntarily.

### **ESTIMATE PREPARED BY:**

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