



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

August 22, 2007

H.R. 3246

Regional Economic and Infrastructure Development Act of 2007

*As ordered reported by the House Committee on Transportation and Infrastructure
on August 1, 2007*

SUMMARY

H.R. 3246 would authorize the appropriation of \$1.25 billion over the 2008-2012 period to establish five regional commissions that would award grants to state and local governments, Indian tribes, and nonprofit organizations to promote economic and infrastructure development among member states.

Assuming the appropriation of the specified amounts, CBO estimates that implementing H.R. 3246 would cost \$655 million over the 2008-2012 period. Enacting this bill would not affect direct spending or revenues.

H.R. 3246 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. 3246 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					
	2007	2008	2009	2010	2011	2012

SPENDING SUBJECT TO APPROPRIATION

Spending for Regional Commissions						
Under Current Law ^a						
Budget Authority	12	0	0	0	0	0
Estimated Outlays	7	7	6	4	2	1
Proposed Changes						
Authorization Level	0	200	225	250	275	300
Estimated Outlays	0	10	60	145	200	240
Spending for Regional Commissions						
Under H.R. 3246						
Authorization Level	12	200	225	250	275	300
Estimated Outlays	7	17	66	149	202	241

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- a. In 2007, the Delta Regional Authority (from which the Delta Regional Commission would be derived) received an appropriation of \$12 million. The Northern Great Plains Regional Authority (from which the Northern Great Plains Regional Commission would be derived) received no appropriation in 2007.
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BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted near the end of fiscal year 2007 and that the amounts specified by the bill will be appropriated for each fiscal year.

H.R. 3246 would authorize the appropriation of \$1.25 billion over the 2008-2012 period to establish the Delta Regional Commission, the Northern Great Plains Regional Commission, the Southeast Crescent Regional Commission, the Southwest Border Regional Commission, and the Northern Border Regional Commission. The functions of two existing entities—the Delta Regional Authority and the Northern Great Plains Regional Authority—would be transferred to the new commissions established by the legislation for those regions. In addition, under the bill, the Northern Great Plains Region would be expanded to include 26 counties in the state of Missouri.

H.R. 3246 would direct the five regional commissions to award grants to state and local governments, Indian tribes, and nonprofit organizations to promote economic and infrastructure development. At least 40 percent of the authorized funds would be used for grants to develop transportation, telecommunications, and other basic public infrastructure. Remaining funds would be used for other economic development activities, such as

providing job training, improving public services, and promoting conservation, tourism, and development of renewable and alternative energy projects.

Based on historical spending patterns of similar regional commissions, CBO estimates that implementing H.R. 3246 would cost \$655 million over the 2008-2012 period and \$595 million after 2012, assuming appropriation of the specified funds.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3246 contains no intergovernmental or private-sector mandates as defined in UMRA. Assuming appropriation of the authorized amounts, CBO estimates that \$655 million would be spent under the bill over the 2008-2012 period for economic and regional development. Most of that amount would be for grants to state, local, and tribal governments. Any costs to those governments would be incurred voluntarily as a condition of receiving federal assistance.

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