



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

November 14, 2013

**H.R. 3316**  
**Grant Reform and New Transparency Act of 2013**

*As ordered reported by the House Committee on Oversight and Government Reform  
on October 29, 2013*

H.R. 3316 would amend federal law pertaining to awards of federal grants. The legislation would require that federal agencies use merit-based award procedures in awarding grants unless those grants are block grants, formula grants, or are awarded according to some other standard required by statute. The bill also would require additional reports.

CBO estimates that implementing changes to the grant-award system as required under H.R. 3316 would cost less than \$1 million annually over the 2014-2018 period, assuming the availability of appropriated funds. Those costs would result primarily from preparing reports and making the required changes to agency websites. Enacting the bill also could affect direct spending by agencies not funded through annual appropriations, such as the Tennessee Valley Authority and Bonneville Power Administration; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net increase in spending by those agencies would not be significant. Enacting H.R. 3316 would not affect revenues.

Under current law, the agencies that award the most grants provide them primarily as formula or block grants, or use merit-based procedures. Most of the provisions of H.R. 3316 would continue those current practices. Based on information from some of the largest grant-awarding agencies, CBO estimates that implementing the bill would lead to a small increase in administrative costs to oversee changes in the award process and to prepare additional reports.

H.R. 3316 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Elizabeth Cove Delisle. The estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.