

### At a Glance

## S. 715, Smart Manufacturing Leadership Act

As ordered reported by the Senate Committee on Energy and Natural Resources on July 16, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	1	1
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	1	1
Spending Subject to Appropriation (Outlays)	0	33	40
Statutory pay-as-you-go procedures apply?	Yes	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

#### The bill would

- Authorize the appropriation of \$10 million annually over the 2020-2023 period for the Department of Energy (DOE) to provide grants to states to develop programs to implement smart manufacturing technologies
- Direct DOE to use unobligated funds to complete a national plan to develop and deploy smart manufacturing technology and to expand a DOE technical assistance program

#### Estimated budgetary effects would primarily stem from

- Spending of future appropriations authorized for DOE
- Spending of previously appropriated but unobligated funds for activities required under the bill

**Detailed estimate begins on the next page.**

## Bill Summary

S. 715 would authorize the appropriation of \$10 million annually over the 2020-2023 period for the Department of Energy to provide grants to states to develop programs for the implementation of smart manufacturing technologies. The bill also would direct the department to use unobligated funds to complete a national plan for smart manufacturing technology development and deployment, and to expand the scope of an existing DOE technical assistance program to include smart manufacturing practices.

## Estimated Federal Cost

The estimated budgetary effect of S. 715 is shown in Table 1. The costs of the legislation fall primarily within budget function 270 (energy).

**Table 1.**  
**Estimated Budgetary Effects of S. 715**

	By Fiscal Year, Millions of Dollars						2019-2024
	2019	2020	2021	2022	2023	2024	
	<b>Increases in Spending Subject to Appropriation<sup>a</sup></b>						
Authorization	0	10	10	10	10	0	40
Estimated Outlays	0	2	5	8	10	8	33

a. Enacting S. 715 also would increase direct spending by \$1 million over the 2020-2024 period.

## Basis of Estimate

For this estimate, CBO assumes that the legislation will be enacted in late 2019 and that the authorized and necessary amounts will be provided in each year.

### Spending Subject to Appropriation

Section 7 would authorize the appropriation of \$10 million annually over the 2020-2023 period for the Department of Energy to provide grants to states to develop programs to implement smart manufacturing technologies. Based on historical spending patterns for similar activities, CBO estimates that implementing section 7 would cost \$33 million over the 2020-2024 period.

Section 6 would require DOE to facilitate access by small and midsize manufacturers to high-performance computing resources at the National Laboratories. Because DOE already carries out several programs to facilitate use of such resources by industry, CBO estimates that implementing section 6 would have no significant effect on the federal budget.

Finally, Section 8 would direct DOE to develop and make publicly available annual reports on the progress made in advancing smart manufacturing. Based on the costs of similar tasks, CBO estimates that any costs to implement the reporting requirement would be insignificant; such spending would be subject to the availability of appropriated funds.

**Direct Spending**

Section 4 would direct DOE to develop, in consultation with the National Academies, a national plan to develop and implement smart manufacturing technology to improve the productivity and energy efficiency of the manufacturing sector. Section 5 would direct DOE to expand the scope of an existing DOE technical assistance program to include smart manufacturing practices. S. 715 would authorize DOE to use unobligated funds to implement those activities. CBO considers such spending to be direct spending because it would occur without further appropriation. In addition, we expect that DOE would use unobligated funds that otherwise would not be spent. Based on the costs of similar tasks, CBO estimates enacting sections 4 and 5 would increase direct spending by \$1 million over the 2020-2024 period.

**Pay-As-You-Go Considerations**

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 2.

<b>Table 2.</b>														
<b>CBO’s Estimate of Pay-As-You-Go Effects of S. 715</b>														
	By Fiscal Year, Millions of Dollars											2019-	2019-	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2024	2029	
	<b>Net Increase in the Deficit</b>													
Statutory Pay-As-You-Go Effect	0	0	0	0	0	0	0	0	0	0	0	1	1	

**Increase in Long-Term Deficits:** None.

**Mandates:** None.

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