

**H.R. 4230, CIT Act of 2019**

As ordered reported by the House Committee on Science, Space, and Technology on February 12, 2020

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	2	812	not estimated
Statutory pay-as-you-go procedures apply?	No	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 4230 would require the Department of Energy (DOE), along with the Office of Science and Technology Policy and other federal agencies, to encourage the development of technologies that increase the competitiveness of industry and manufacturing and reduce emissions in the nonpower industrial sector. Under the program, DOE would award grants, sponsor demonstration projects, and provide technical assistance. The bill also would establish a committee consisting of members from the public and private sectors to advise DOE on the program, develop a strategic plan, and report results.

For this estimate, CBO assumes that the bill will be enacted in fiscal year 2020. Under that assumption, DOE could incur some costs in 2020, but CBO expects that most of the costs would be incurred in 2021 and later. Any spending would be subject to the availability of appropriated funds.

H.R. 4230 would authorize the appropriation of specified amounts for each year from 2020 through 2024 for DOE to sponsor demonstration projects. To estimate the cost of implementing other provisions in the bill, CBO considered the costs of similar DOE programs. For example, DOE allocated about \$100 million annually in recent years for research and development programs that focus on manufacturing processes. Similarly, the department allocated between \$3 million and \$20 million annually for comparable technical assistance programs, and it allocated less than \$500,000 annually for comparable advisory committees.



On that basis, CBO estimates the authorization in 2020 for the other provisions in the bill would be \$110 million, with that amount growing by about \$3 million each year to account for anticipated inflation. Based on historical spending patterns for similar programs, CBO estimates that implementing H.R. 4230 would cost \$812 million over the 2020-2025 period. The costs of the legislation, detailed in Table 1, would largely fall within budget function 270 (energy).

**Table 1.  
Estimated Increases in Spending Subject to Appropriation Under H.R. 4230**

	By Fiscal Year, Millions of Dollars						2020-2025
	2020	2021	2022	2023	2024	2025	
Demonstration Projects							
Authorization	20	80	100	150	150	0	500
Estimated Outlays	*	16	45	78	107	105	351
Other Provisions							
Estimated Authorization	110	112	115	118	121	124	700
Estimated Outlays	2	35	82	107	114	121	461
Total Changes							
Estimated							
Authorization	130	192	215	268	271	124	1,200
Estimated Outlays	2	51	127	185	221	226	812

\* = between zero and \$500,000.

On February 18, 2020, CBO transmitted a [cost estimate for S. 2300](#), the CIT Act of 2019, as reported by the Senate Committee on Energy and Natural Resources on October 24, 2019. The two pieces of legislation are similar, and CBO’s estimated costs reflect the differences between the bills. In particular, H.R. 4230 would authorize specific amounts for demonstration projects and S. 2300 would not.

The CBO staff contact for this estimate is Aaron Krupkin. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.