

At a Glance

H.R. 4588, Regional Innovation Act of 2021

As ordered reported by the House Committee on Science, Space, and Technology on July 27, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	*	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	10	3,731	7,202

Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = between zero and \$500,000.

The bill would

- Authorize appropriations for the Department of Commerce and Department of Energy
- Require the two departments to award grants to regional consortia to promote economic development and technological innovation
- Require the Department of Commerce to collect and analyze data related to technology and production capacity in critical sectors, and to perform other activities in support of technology research

Estimated budgetary effects would mainly stem from

- Spending of amounts authorized to be appropriated in the act for grants and activities administered by the two departments

Detailed estimate begins on the next page.



Bill Summary

H.R. 4588 would authorize appropriations for programs at the Departments of Commerce (DOC) and Energy (DOE) related to economic development and technological innovation.

Estimated Federal Cost

The estimated budgetary effect of H.R. 4588 is shown in Table 1. The costs of the legislation fall within budget functions 270 (energy), 370 (commerce and housing credit), and 450 (community and regional development).

Table 1.
Estimated Budgetary Effects of H.R. 4588

	By Fiscal Year, Millions of Dollars					2022-2026
	2022	2023	2024	2025	2026	
Increases in Spending Subject to Appropriation						
DOC Regional Technology and Innovation Hubs						
Authorization ^a	2,000	0	4,800	0	0	6,800
Estimated Outlays	0	160	650	1,200	1,470	3,480
DOC Critical Technology and Innovation Analytics Program						
Authorization ^b	100	0	0	0	0	100
Estimated Outlays	4	8	16	20	22	70
DOC Strategy Development Grants						
Authorization ^b	50	0	0	0	0	50
Estimated Outlays	3	12	19	13	3	50
DOE Regional Clean Energy Partnerships						
Authorization	50	50	50	50	50	250
Estimated Outlays	3	13	27	40	47	130
GAO Evaluations						
Estimated Authorization	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	1
Total Changes						
Estimated Authorization	2,200	50	4,850	50	50	7,201
Estimated Outlays	10	193	712	1,273	1,542	3,731

Enacting the bill would increase direct spending by less than \$500,000 in every year and over the 2022-2031 period.

Components may not sum to totals because of rounding; DOC = Department of Commerce, DOE = Department of Energy, GAO = Government Accountability Office; * = between zero and \$500,000.

a. The bill would authorize the appropriation of \$2 billion over the 2022-2023 period and \$4.8 billion over the 2024-2026 period but does not specify how much would be authorized in each year. This estimate shows the full amount in the first year of each period.

b. The bill would authorize the appropriation of \$100 million and \$50 million over the 2022-2026 period for two DOC programs but does not specify how much would be authorized in each year. This estimate shows the full amount in 2022.



Basis of Estimate

For this estimate, CBO assumes that the legislation will be enacted in fiscal year 2022 and that the amounts specified in the bill will be appropriated. Estimated outlays are based on historical spending patterns for similar programs and activities. Assuming the appropriation of those amounts, CBO estimates that implementing the bill would cost \$3.7 billion over 2022-2026 period and \$7.2 billion over the 2022-2031 period.

Department of Commerce

H.R. 4588 would authorize appropriations for two new programs that would be administered by DOC. Those authorizations would be for a period of fiscal years and the bill does not specify the amounts for any year in those periods. This estimate shows the total authorized amount in the first fiscal year of each period.

Under the bill, DOC would administer a Regional Technology and Innovation Hub Program under which the agency would award grants to private entities, nonprofit and labor organizations, institutions of higher education, and state and local governments that participate in regional consortia focused on economic development and technology innovation. In addition, DOC would administer a program to collect and analyze data related to technology innovation and production capacity in critical sectors.

Over the 2022-2026 period, the bill would authorize the following amounts for the Department of Commerce:

- \$6.8 billion (\$2.0 billion over the 2022-2023 period and \$4.8 billion over the 2024-2026 period) for grants to eligible entities participating in innovation hubs to cover the costs of infrastructure projects and activities related to workforce, business, and technology development;
- \$100 million to collect data, develop analytic capabilities, and support technology research in industry sectors critical to national objectives, such as national security, economic prosperity, and social welfare; and
- \$50 million for grants to leading hub entities to develop strategies, plans, and studies, as well as to facilitate necessary changes to local zoning codes and other laws.

Department of Energy

H.R. 4588 also would authorize the appropriation of \$50 million annually over the 2022-2026 period, totaling \$250 million, for DOE to establish a regional clean energy innovation program. Under the program, DOE would award grants to groups of state and local governments, institutions of higher education, and other entities to form regional partnerships and accelerate the innovation and commercial application of clean energy technologies.



Government Accountability Office

H.R. 4588 would require the Government Accountability Office to evaluate the effectiveness of the Regional Clean Energy Innovation Program and report to the Congress every three years. Based on the cost of similar activities, CBO estimates that conducting those evaluations would cost \$1 million over the 2022-2026 period and \$2 million over the 2022-2031 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. Sections 2 and 3 of H.R. 4588 would authorize DOC and DOE, respectively, to accept funding from other federal agencies to support grants and other activities required under the bill. Those provisions could affect direct spending if DOC or DOE receives previously appropriated amounts that otherwise are not expected to be spent within the 2022-2031 period under current law. CBO estimates that the net changes in outlays that are subject to those pay-as-you-go procedures would be less than \$500,000 in every year and over the 2022-2031 period.

Increase in Long-Term Deficits

CBO estimates that enacting H.R. 4588 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2032.

Mandates: None.



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