

**H.R. 4374, Broadband Internet Connections for Rural America Act**

As reported by the House Committee on Agriculture on August 6, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	157	9,005	33,461
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 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 4374 would establish or reauthorize programs administered by the Department of Agriculture (USDA) to increase broadband connectivity in rural areas and would authorize the appropriation of specific annual amounts over the 2022-2029 period. Because specific amounts are already authorized for most of the programs, this cost estimate accounts for the difference between the amounts specified in the bill and those authorized under current law.

On net, H.R. 4374 would authorize the appropriation of about \$42.3 billion. Using historical spending patterns for similar activities and information provided by USDA, CBO estimates that implementing H.R. 4374 would cost \$9.0 billion over the 2022-2026 period, \$33.5 billion over the 2022-2031 period and \$7.0 billion after 2031, assuming appropriation of the authorized amounts.

The costs of the legislation, detailed in Table 1, fall within budget function 450 (community and regional development).

**Table 1.  
Estimated Budgetary Effects of H.R. 4374**

	By Fiscal Year, Millions of Dollars										2022- 2026	2022- 2031	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
<b>Increases in Spending Subject to Appropriation</b>													
<b>ReConnect Rural Broadband Program<sup>a</sup></b>													
Estimated Authorization	4,150	4,150	4,500	4,500	4,500	4,500	4,500	4,500	4,500	0	0	21,800	35,300
Estimated Outlays	125	540	1,173	2,245	3,211	3,962	4,164	4,261	4,137	3,690		7,292	27,505
<b>Middle Mile Broadband Program<sup>a</sup></b>													
Estimated Authorization	290	290	300	300	300	300	300	300	300	0	0	1,480	2,380
Estimated Outlays	9	38	82	155	223	275	292	294	285	255		506	1,906
<b>Innovative Broadband Advancement Program<sup>a</sup></b>													
Authorization	290	290	300	300	300	300	300	300	300	0	0	1,480	2,380
Estimated Outlays	15	52	111	199	268	282	290	294	279	240		644	2,029
<b>Community Connect Grants<sup>a</sup></b>													
Estimated Authorization	100	100	150	150	150	150	150	150	150	0	0	650	1,100
Estimated Outlays	3	18	50	85	120	136	146	147	143	120		276	967
<b>Distance Learning and Telemedicine<sup>a</sup></b>													
Estimated Authorization	0	68	150	150	150	150	150	150	150	0	0	518	968
Estimated Outlays	0	2	25	67	103	131	144	146	143	98		196	857
<b>Broadband Connectors Program</b>													
Authorization	25	25	25	25	25	25	25	25	25	0	0	125	200
Estimated Outlays	6	14	21	25	25	25	25	25	25	19	11	91	196
<b>Total Changes</b>													
Estimated Authorization	4,855	4,923	5,425	5,425	5,425	5,425	5,425	5,425	5,425	0	0	26,053	42,328
Estimated Outlays	157	663	1,460	2,776	3,949	4,811	5,061	5,166	5,006	4,414		9,005	33,461

Components may not sum to totals because of rounding.

- a. Specific authorizations already exist for these programs through fiscal year 2023. This estimate shows only the incremental increases in authorizations that would be created by H.R. 4374. CBO thus estimates that the bill would increase authorizations in each year over the 2022-2023 period by the difference between the amount that would be authorized by H.R. 4374 and the amounts authorized under current law for each of those years.

H.R. 4374 would authorize the appropriation of the following amounts over the 2022-2029 period:

- \$4.5 billion annually for grants and loans under the ReConnect Rural Broadband Program. Under current law, \$350 million is authorized to be appropriated annually for 2022 and 2023.
- \$300 million annually for grants and loans to expand rural “middle mile” broadband infrastructure. Under current law, \$10 million is authorized to be appropriated annually for 2022 and 2023.
- \$300 million annually for grants and loans under the Innovative Broadband Advancement Program. Under current law, \$10 million is authorized to be appropriated annually for 2022 and 2023.
- \$150 million annually for grants under the Community Connect Program. Under current law, \$50 million is authorized to be appropriated annually for 2022 and 2023.
- \$150 million annually for grants and loans under the Distance Learning and Telemedicine Program. The program received supplemental appropriations of \$531 million in 2021. Because CBO estimates budgetary effects under continuing resolutions on an annualized basis, in 2022 CBO assumes that the same amount will be available under the current continuing resolution (Public Law 117-43). Therefore, CBO estimates that H.R. 4374 would not increase net authorizations in that year relative to amounts already assumed in the baseline. Under current law, \$82 million is authorized to be appropriated for 2023. The annual incremental increase that year is \$68 million—the difference between the \$150 million annual authorization under the bill and the current-law authorization of \$82 million for that year.
- \$25 million annually for USDA to provide technical assistance to rural communities under the Broadband Connectors Program.

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