



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

August 11, 2000

S. 2797

Restoring the Everglades, an American Legacy Act

*As reported by the Senate Committee on Environment and Public Works
on July 27, 2000*

SUMMARY

S. 2797 would authorize the Secretary of the Army, acting through the Army Corps of Engineers (Corps), to establish a program for protecting the natural environment, providing flood control, and increasing the water supply for the south Florida ecosystem. The bill would authorize appropriations for projects estimated to cost \$791 million (at 2000 prices). S. 2797 would require the Secretary to fund 50 percent of the operations and maintenance costs for the specified projects, and to provide administrative support for this effort.

Assuming appropriations for the authorized projects and adjusting their estimated costs for anticipated inflation, CBO estimates that implementing S. 2797 would cost \$254 million over the 2001-2005 period, and \$665 million over the succeeding five years. After 2010, program administration, operations, and maintenance for the specified projects would cost about \$12 million annually. S. 2797 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 2797 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). State and local governments might incur some costs to match the federal funds authorized by this bill, but those costs would be voluntary.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2797 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and the environment).

	By Fiscal Year, in Millions of Dollars				
	2001	2002	2003	2004	2005
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	20	38	49	61	154
Estimated Outlays	15	29	44	57	109

BASIS OF ESTIMATE

The Corps provided estimates of annual budget authority needed to meet design and construction schedules for projects that would be authorized by the bill. CBO adjusted the estimated project costs to reflect the impact of anticipated inflation during the time between authorization and appropriation. That adjustment brings projected funding for project design and construction to about \$900 million.

Estimated outlays are based on historical spending rates for construction projects of the Corps. Outlays are projected to increase significantly after 2004 as design and preliminary work would be completed and major construction work would begin. CBO also estimated the Corps’ administrative expenses under the bill (about \$3 million a year), as well as operations and maintenance costs (\$11 million from 2007 to 2010), and the cost to the Department of the Interior to purchase certain land specified in the bill (\$2 million).

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2797 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would require matching funds from the state of Florida equal to half the cost of the authorized projects, including costs to operate and maintain those projects. Any such expenditures by the state would be voluntary.

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