



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 22, 2004

H.R. 1284

An act to amend the Reclamation Projects Authorization and Adjustment Act of 1992 to increase the federal share of the costs of the San Gabriel Basin demonstration project

*As ordered reported by the Senate Committee on Energy and Natural Resources
on July 14, 2004*

SUMMARY

H.R. 1284 would increase the amount authorized to be appropriated for the San Gabriel Basin demonstration project in California by \$6.5 million. Under current law, \$38 million has been authorized to be appropriated for this project, and about \$31 million has been appropriated to date. The project is designed to improve the quality and storage capacity of groundwater in the San Gabriel Basin. The increase in the authorized funding level would allow the Bureau of Reclamation to assist in the expansion of the project to include more facilities.

Assuming appropriation of the authorized amount, CBO estimates that implementing the act would cost about \$2 million in 2009 and an additional \$5 million after that year. Enacting H.R. 1284 would not affect direct spending or revenues.

H.R. 1284 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. Enacting this legislation would benefit the project's local sponsors.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1284 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					
	2004	2005	2006	2007	2008	2009
SPENDING SUBJECT TO APPROPRIATION						
Estimated Spending Under Current Law ^a						
Estimated Authorization Level	1	1	2	2	2	0
Estimated Outlays	1	1	2	2	2	1
Proposed Changes						
Estimated Authorization Level	0	0	0	0	0	3
Estimated Outlays	0	0	0	0	0	2
Spending Under H.R. 1284						
Estimated Authorization Level	1	1	2	2	2	3
Estimated Outlays	1	1	2	2	2	3

a. About \$7.5 million remains to be appropriated from the original authority for the San Gabriel demonstration project. The 2004 level is the amount appropriated for that year for the project.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 1284 will be enacted this year, and that the necessary funds will be appropriated for each year, but that no new funding requirements would be triggered until 2009. (The estimate assumes that amounts already authorized will be appropriated in 2005 through 2008.) CBO estimates that implementing H.R. 1284 would cost about \$2 million in 2009 and an additional \$5 million after that year.

Under current law, about \$7.5 million remains to be appropriated from the original authority of \$38 million for the San Gabriel Basin demonstration project. Based on information from the bureau, CBO expects that the new funds authorized under this act would not be required until 2009.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1284 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Enacting this legislation would benefit the project's local sponsors.

PREVIOUS CBO ESTIMATE

On June 23, 2003, CBO transmitted a cost estimate for H.R. 1284 as ordered reported by the House Committee on Resources on June 11, 2003. In June of 2003, CBO estimated that implementing H.R. 1284 would cost \$11 million over the 2004-2008 period. Since that estimate was prepared, the Bureau of Reclamation has modified its plans to complete the San Gabriel Demonstration Project by extending its completion date until 2009. Because of that change, we now estimate that implementing the legislation would entail new costs of \$2 million over the 2005-2009 period.

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