



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 15, 2014

S. 2055 **Corps of Engineers Cooperative Joint Management Restoration Act**

*As ordered reported by the Senate Committee on Environment and Public Works
on April 3, 2014*

SUMMARY

S. 2055 would authorize the Corps of Engineers to enter into cooperative agreements with nonfederal entities to jointly manage parks and recreational facilities currently managed by the Corps. Under current law, all fees charged and collected by the Corps for public access to those sites are required to be deposited in the Treasury. Under the bill, the agreements would allow nonfederal entities, instead of the Corps, to charge fees for the use of those parks and facilities. Those nonfederal entities would retain the proceeds for operation and maintenance expenses at those sites.

Based on information from the Corps, CBO estimates that enacting S. 2055 would increase direct spending (by reducing offsetting receipts) by \$20 million over the 2015-2024 period. Because the legislation would affect direct spending, pay-as-you-go procedures apply. Enacting S. 2055 would not affect revenues.

S. 2055 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of S. 2055 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											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015-2019	2015-2024
CHANGES IN DIRECT SPENDING ^a												
Estimated Budget Authority	1	1	2	2	2	2	2	2	3	3	7	20
Estimated Outlays	1	1	2	2	2	2	2	2	3	3	7	20

Note: Components may not sum to totals because of rounding.

a. CBO also expects that discretionary costs could be reduced over this period because fewer parks and facilities would be operated by the Corps.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 2055 will be enacted near the end of 2014. Estimates of receipts collected from the use of parks and facilities under current law are based on information provided by the Corps of Engineers.

Prior to September 2013, the Corps had cooperative agreements with nonfederal entities to manage 34 federal parks and recreational facilities. Those nonfederal entities charged fees for public access to those sites totaling about \$3 million annually and retained those proceeds for operation and maintenance expenses.

Beginning in September 2013, the Corps discontinued the use of cooperative agreements at all sites because the Corps determined it did not have explicit statutory authority to enter into such agreements. Since that time, the Corps has continued to operate some of those parks and public access sites and to charge fees for their use; however, it has closed some of the parks and facilities permanently and anticipates more closures because of insufficient funding to operate all of the sites.

Under the bill, many of the parks that have been closed or will be closed under current law would probably be reopened and operated by nonfederal entities. In addition, some of the public access sites that the Corps would continue to operate itself under current law would probably be operated instead by nonfederal entities who would enter into the cooperative agreements authorized under the bill. Those entities would retain fees charged in connection with those sites they operate, rather than those fees being collected by the federal government as under current law. CBO estimates that change would reduce offsetting receipts (thus increasing net direct spending) by \$20 million over the 2014-2024 period.

The Corps would no longer need appropriated funds to maintain the parks and facilities that would be operated by private entities under the bill. Therefore, implementing the

legislation could lead to a reduction in discretionary costs over this period if future appropriations are reduced because the Corps would no longer operate some parks and facilities itself. The Corps spent about \$250 million last year for recreation-related expenses, but the agency does not have information about the operating costs for individual parks that would be affected by this legislation, so the amount of the potential reduction in discretionary costs is unclear.

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. The changes in direct spending that are subject to those pay-as-you-go procedures are shown in the following table.

	By Fiscal Year, in Millions of Dollars												2014-	2014-
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2019	2024	
NET INCREASE IN THE DEFICIT														
Statutory Pay-As-You-Go Impact	0	1	1	2	2	2	2	2	2	3	3	7	20	

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2055 contains no intergovernmental or private-sector mandates as defined in UMRA.

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