



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 19, 2014

### **S. 715**

### **Authorized Rural Water Projects Completion Act**

*As ordered reported by the Senate Committee on Energy and Natural Resources  
on November 21, 2013*

#### **SUMMARY**

S. 715 would establish a new Reclamation Rural Water Construction and Settlement Implementation Fund and transfer \$150 million from the existing Reclamation Fund into the proposed fund annually through 2035. Those annual deposits and interest credited to the unspent balances in the new fund would be authorized to be appropriated for constructing certain rural water projects, settling claims against the federal government regarding the use of tribal lands, and maintaining Indian irrigation projects.

Based on information from the Bureau of Reclamation (BOR) and the Bureau of Indian Affairs (BIA), CBO estimates that subject to appropriation of the authorized amounts, the legislation would cost \$692 million over the 2015-2019 period and \$2.6 billion after 2019. Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

S. 715 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Tribal governments and rural communities would benefit from funds appropriated under this bill.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 715 is shown in the following table. The costs of this legislation fall within budget functions 300 (natural resources and environment) and 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars					2015- 2019
	2015	2016	2017	2018	2019	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Title II-Rural Water Projects						
Estimated Authorization Level	80	81	83	83	83	410
Estimated Outlays	48	69	83	83	83	366
Title III-Reclamation Infrastructure and Settlement Implementation						
Estimated Authorization Level	35	35	36	36	36	178
Estimated Outlays	32	35	36	36	36	175
Title IV-Indian Irrigation						
Estimated Authorization Level	35	35	36	36	37	180
Estimated Outlays	18	27	35	36	37	152
Total Costs						
Estimated Authorization Level	150	152	155	155	156	767
Estimated Outlays	97	131	153	155	156	692

Note: Components may not sum to totals because of rounding. Additional costs would continue after 2019, subject to appropriation, until around 2035. CBO estimates those costs would total about \$2.6 billion.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that S. 715 will be enacted by the end of 2014 and that the authorized amounts will be appropriated for each fiscal year. Estimated outlays are based on information from the BOR and BIA, and on historical spending patterns for similar projects.

### **Title II – Rural Water Projects**

CBO estimates that implementing title II to construct rural water projects would cost \$366 million over the 2015-2019 period and about \$1.4 billion thereafter, assuming appropriation of the authorized amounts.

Title II would authorize the appropriation of \$80 million annually through 2035 plus interest credited to a portion of the proposed fund to construct certain water projects to provide rural and tribal communities with access to clean, safe and reliable drinking water. Based on information provided by the BOR, CBO estimates that seven projects would be eligible for funding using the criteria specified in S. 715. Those seven projects are currently being constructed or are ready to be constructed.

### **Title III – Reclamation Infrastructure and Settlement Implementation**

CBO estimates that implementing title III would cost \$175 million over the 2015-2019 period and \$631 million thereafter, assuming appropriation of the authorized amounts.

Title III would authorize the appropriation of \$35 million annually through 2035 plus interest credited to a portion of the proposed fund to satisfy certain settlement agreements between the federal government and federally recognized Indian tribes. Settlements eligible for funding under this title would include those that have been authorized by the Congress, that have some portion of the settlement amount subject to appropriation, and that meet certain other criteria. According to BIA, several settlement agreements previously authorized by the Congress would meet the bill's criteria; for example, the White Mountain Apache Tribe Water Rights Quantification, the Taos Pueblo Indian Water Rights Settlement, and the Aamodt Litigation Settlement. Future settlements could also qualify to receive amounts authorized by the bill.

### **Title IV – Indian Irrigation**

CBO estimates that implementing title IV would cost \$152 million over the 2015-2019 period and \$634 million thereafter, assuming appropriation of the authorized amounts.

Title IV would authorize the appropriation of \$35 million annually through 2035 plus interest credited to a portion of the proposed fund to maintain Indian irrigation projects owned by the federal government and managed by the Bureau of Indian Affairs. According to BIA, the agency manages 14 Indian irrigation projects that have nearly \$600 million in deferred maintenance costs. Under the bill, additional maintenance costs that accrue at those 14 projects prior to 2035 also would be eligible to be paid from amounts appropriated from the fund.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

### **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 715 contains no intergovernmental or private-sector mandates as defined in UMRA. Assuming appropriation of necessary amounts, tribal governments and rural communities would benefit from this bill.

**ESTIMATE PREPARED BY:**

Federal Costs: Aurora Swanson

Impact on State, Local, and Tribal Governments: Michael Kulas

Impact on the Private Sector: Amy Petz

**ESTIMATE APPROVED BY:**

Theresa Gullo

Deputy Assistant Director for Budget Analysis