



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 26, 2006

### **H.R. 4588**

### **Water Resources Research Act Amendments of 2006**

*As ordered reported by the House Committee on Resources on July 19, 2006*

#### **SUMMARY**

H.R. 4588 would authorize the appropriation of \$90 million over the 2007-2011 period to carry out the Water Resources Research Act of 1984. Under that act, the U.S. Geological Survey (USGS) provides grants to research and technology institutes at American colleges and universities for research and education on water resources. The authorization of appropriations for those grants expired at the end of fiscal year 2005; \$6 million was appropriated for this purpose in 2006. The bill also would lower the amount available for administrative costs associated with these grants from 15 percent of the total appropriation to 5 percent.

Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 4588 would cost \$85 million over the 2007-2011 period and an additional \$5 million after that period. Enacting the bill would not affect direct spending or revenues. H.R. 4588 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would benefit institutions of higher education, and any costs they incur would result from complying with conditions of federal assistance.

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

For this estimate, CBO assumes that the authorized amounts will be appropriated for each year and that outlays will follow the historical spending patterns for these grant programs. The estimated budgetary impact of H.R. 4588 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					
	2006	2007	2008	2009	2010	2011
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending for Research Institutes						
Under Current Law						
Budget Authority <sup>a</sup>	6	0	0	0	0	0
Estimated Outlays	6	1	0	0	0	0
Proposed Changes						
Authorization Level	0	18	18	18	18	18
Estimated Outlays	0	14	16	18	18	18
Spending for Research Institutes						
Under H.R. 4588						
Authorization Level <sup>a</sup>	6	18	18	18	18	18
Estimated Outlays	6	15	16	18	18	18

a. The 2006 level is the amount appropriated for that year for USGS grants under the Water Resources Research Act.

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

H.R. 4588 contains no intergovernmental or private-sector mandates as defined in UMRA. Grant funds reauthorized in the bill would benefit institutions of higher education that participate as research and technology institutes under the Water Resources Act of 1984. The costs of any requirements tied to those grants, including matching funds, would be incurred voluntarily.

## **PREVIOUS CBO ESTIMATE**

On June 20, 2005, CBO transmitted a cost estimate for S. 1017, the Water Resources Research Act Amendments of 2005, as ordered reported by the Senate Committee on Environment and Public Works on June 8, 2005. The cost estimates for these two bills differ because they authorize different amounts of funding. (S. 1017 authorizes \$94 million over the 2006-2010 period.)

**ESTIMATE PREPARED BY:**

Federal Costs: Deborah Reis and Julie Middleton  
Intergovernmental Impact: Lisa Ramirez-Branum  
Impact on the Private Sector: Craig Cammarata

**ESTIMATE APPROVED BY:**

Robert A. Sunshine  
Assistant Director for Budget Analysis