



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 19, 2000

H.R. 297
Lewis and Clark Rural Water System Act of 2000
As ordered reported by the House Committee on Resources on May 17, 2000

SUMMARY

H.R. 297 would authorize the appropriation of \$214 million to the Department of the Interior (DOI) to make grants to the Lewis and Clark Rural Water System for the construction of a drinking water supply project. The Lewis and Clark Rural Water System is a group of cities and rural areas in southeastern South Dakota, northwestern Iowa, and southwestern Minnesota. Assuming appropriation of the authorized amount, CBO estimates that implementing H.R. 297 would cost \$60 million over the 2001-2005 period, with the rest of the authorized spending coming after 2005.

Enactment of H.R. 297 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State and local governments might incur some costs as a result of the bill's enactment, but these costs would be voluntary.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 297 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				
	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	214	0	0	0	0
Estimated Outlays	1	2	9	24	24

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that the full amount of the authorization will be provided in fiscal year 2001. Our estimate of the amounts needed over the 2001-2005 period to begin construction of this drinking water system is based on information from the local water system and historical spending rates for similar projects. Completion of this project is expected to take about 12 years.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 297 contains no intergovernmental mandates as defined in UMRA. The bill would require that the nonfederal share of project costs equal 20 percent, except for the incremental cost of participation in the project by the city of Sioux Falls. The city would be required to pay 50 percent of that cost. Any state or local governments choosing to participate in the project authorized by this bill would do so on a voluntary basis, and any costs that they might incur would be accepted by them on that basis.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill contains no new private-sector mandates as defined in UMRA.

PREVIOUS CBO ESTIMATE

On August 2, 1999, CBO transmitted a cost estimate for S. 244, the Lewis and Clark Rural Water System Act of 1999, as ordered reported by the Senate Committee on Energy and Natural Resources on July 28, 1999. S. 244 is very similar to H.R. 297; however, the Senate bill would authorize the appropriation of \$224 million, which is \$10 million more than the amount in the House bill.

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