



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 21, 2000

H.R. 992

**An act to convey the Sly Park Dam and Reservoir to the El Dorado
Irrigation District, and for other purposes**

*As ordered reported by the Senate Committee on Energy and Natural Resources
on July 13, 2000*

SUMMARY

H.R. 992 would direct the Secretary of the Interior to convey the Sly Park Dam and Reservoir, the Camp Creek Diversion Dam and Tunnel, and certain conduits and canals to the El Dorado Irrigation District. These water facilities are part of the Central Valley Project in California. The district would pay \$11.5 million to the federal government for these facilities.

CBO estimates that enacting H.R. 992 would decrease net direct spending by about \$11 million in fiscal year 2001, and that this near-term cash savings would be offset by the loss of about \$1 million in receipts annually over the 2002-2028 period. Because the legislation would affect direct spending, pay-as-you-go procedures would apply.

H.R. 992 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Local governments would incur some costs as a result of the legislation's enactment, but these costs would be voluntary.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 992 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					
	2000	2001	2002	2003	2004	2005
CHANGES IN DIRECT SPENDING ^a						
Estimated Budget Authority	0	-11	1	1	1	1
Estimated Outlays	0	-11	1	1	1	1

a. Implementing the conveyance of property under H.R. 992 would cost about \$50,000, assuming the availability of appropriated funds.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the conveyance of water facilities under H.R. 992 will occur in early fiscal year 2001. CBO estimates that it will cost about \$50,000 to administer the conveyance.

The El Dorado Irrigation District would pay \$11.5 million to the federal government for the conveyance. In return, the legislation would cancel all repayment obligations and interest charges associated with the conveyed water facilities. As a result of these provisions, receipts to the federal government would be offset by the loss of currently scheduled repayments of about \$1 million each year over the 2001-2028 period.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
Changes in outlays	0	-11	1	1	1	1	1	1	1	1	1	
Changes in receipts					Not applicable							

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 992 contains no intergovernmental or private-sector mandates as defined in UMRA. The conveyance authorized by this bill would be voluntary on the part of the district, and any costs incurred by it as a result of the conveyance would be accepted on that basis. The bill would allow the district to prepay certain outstanding obligations to the federal government.

PREVIOUS CBO ESTIMATE

On March 19, 1999, CBO transmitted a cost estimate for H.R. 992, the Sly Park Unit Conveyance Act, as ordered reported by the House Committee on Resources on March 11, 1999. The House version of H.R. 922 would direct the Secretary of the Interior to convey some but not all of the water facilities that are included in the Senate version. The House version also contains a different set of conditions for the conveyance. The two estimates reflect those differences.

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