



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 26, 2002

H.R. 4739

A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of a project to reclaim and reuse wastewater within and outside of the service area of the City of Austin Water and Wastewater Utility, Texas

As ordered reported by the House Committee on Resources on July 10, 2002

SUMMARY

H.R. 4739 would authorize federal participation in the design, planning, and construction of a project to reclaim and reuse wastewater that would be carried out by the City of Austin Water and Wastewater Utility in Texas. The bill would limit the federal share of those costs to 25 percent and would prohibit the use of the federal funds for operating or maintaining the project.

Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 4739 would cost about \$5 million over the 2003-2007 period and an additional \$17 million over the 2008-2022 period. H.R. 4739 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State and local governments might incur some costs to match the federal funds authorized by this bill, but these costs would be voluntary.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4739 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				
	2003	2004	2005	2006	2007

CHANGES IN SPENDING SUBJECT TO APPROPRIATION

Estimated Authorization Level	1	1	1	1	1
Estimated Outlays	1	1	1	1	1

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 4739 will be enacted by the start of fiscal year 2003 and that the necessary funds will be appropriated for each year. H.R. 4739 would limit the federal cost share to 25 percent of the total cost of planning, design, and construction of a wastewater reclamation project for Austin, Texas. According to the Bureau of Reclamation and the city of Austin, the total cost of the project will be approximately \$110 million with a maximum federal cost share of \$28 million. Under the Reclamation Wastewater and Groundwater Study and Facilities Act, however, the federal share of total project costs cannot exceed \$20 million (measured in 1996 dollars). Therefore, CBO estimates that the maximum federal cost share for this project will be about \$22 million (including adjustments for inflation).

Based on information from the bureau and the city of Austin, CBO expects that it will take approximately 20 years to complete all phases of this project. For this estimate, CBO assumes that funds will be appropriated in equal installments over that period to complete the project. CBO estimates that implementing H.R. 4739 would cost approximately \$5 million over the 2003-2007 period and an additional \$17 million over the 2008-2022 period.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4739 contains no intergovernmental or private-sector mandates as defined in UMRA. State and local governments might incur some costs to match the federal funds authorized by this bill, but these costs would be voluntary.

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