



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 23, 2001

### **S. 941**

**An act to revise the boundaries of the Golden Gate National Recreation Area in the state of California, to extend the term of the advisory commission for the recreation area, and for other purposes**

*As ordered reported by the House Committee on Resources on September 12, 2002*

#### **SUMMARY**

S. 941 would adjust the boundaries of two units of the National Park System, require the National Park Service (NPS) to conduct two studies of potential additions to the park system or its affiliated areas, and authorize the NPS to make payments to certain school districts in California. Assuming appropriation of the necessary or authorized amounts, CBO estimates that implementing the legislation would cost about \$21 million over the next five years. Because enactment of title III could increase direct spending, pay-as-you-go procedures would apply, but we estimate that any such increase would be less than \$500,000 a year.

Title V of the legislation may contain an intergovernmental or private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs of any such mandate would not be significant and would fall well below the thresholds established in UMRA. The thresholds in 2002 are \$58 million and \$115 million per year, respectively, for intergovernmental and private-sector mandates, adjusted annually for inflation.

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

The estimated budgetary impact of S. 941 is summarized in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

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	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007

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**CHANGES IN SPENDING SUBJECT TO APPROPRIATION<sup>a</sup>**

Estimated Authorization Level	17	1	1	1	1
Estimated Outlays	9	9	1	1	1

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a. Enacting S. 941 could also affect direct spending, but CBO estimates that any such effects would be less than \$500,000 a year.

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## **BASIS OF ESTIMATE**

Most of the legislation’s budgetary effects would stem from changes in discretionary spending. In total, we estimate that implementing those changes would cost about \$21 million over the 2003-2007 period.

### **Golden Gate National Recreation Area (GGNRA) Boundary Adjustment**

Title I would expand the boundary of the GGNRA in California to include the 4,262-acre Rancho Corral de Tierra and the 500-acre Devil’s Slide area.

Based on information provided by the NPS and assuming appropriation of the necessary amounts, CBO estimates that one-time costs to implement this title would be \$15.5 million over the next few years. Of this amount, we estimate that the federal government would spend \$15 million to purchase the Rancho Corral de Tierra from a local nonprofit organization. CBO estimates that acquisition of the Devil’s Slide area would not have any impact on federal spending because we expect that this acreage would be donated to the NPS by California. The balance of one-time costs—about \$0.5 million—would be incurred to develop the property acquired. Finally, we estimate that annual costs to administer the new lands would be between \$0.1 million and \$0.2 million (or about \$1 million in total over the next five years), also assuming appropriation of the necessary amounts.

### **Yosemite National Park Education Improvement**

For each of fiscal years 2003 through 2007, title III would authorize the NPS to pay a total of up to \$750,000 to two California school districts that serve the families of Yosemite

National Park employees. To make those payments, the title would authorize the agency to use appropriated funds, donations, or offsetting receipts from certain fees that it collects.

Assuming that the NPS would principally rely on appropriated funds to make the authorized payments (because very few collections and donations are available to spend on new activities), CBO estimates that implementing title III would cost \$750,000 a year over the next five years, assuming the availability of appropriated funds. That annual discretionary amount could be lower if the NPS would choose to use funds from other authorized sources (such as fees and donations) to make the payments; if so, direct spending could increase. According to the NPS, the agency already has authority to spend nearly all such collections; hence, we estimate that any increase in direct spending of such fees under the legislation would be less than \$500,000 a year.

### **Highway 49 Study**

Title IV would require the NPS to prepare a special resource study of Highway 49, in California, to determine the suitability and feasibility of establishing it as a national heritage corridor. The legislation would require the agency to complete the study within one year of receiving funding and to report to the Congress on its findings 30 days later. Based on information provided by the NPS and assuming the availability of appropriated funds, CBO estimates that completing the required study and report would cost the federal government \$200,000, mostly in 2003.

### **John Muir National Historic Site Boundary Adjustment**

Title V would adjust the boundary of the John Muir National Historic Site and authorize the NPS to acquire the added 0.2-acre parcel of land by purchase, donation, or exchange. Based on information provided by the NPS, we expect the agency to condemn the small tract to establish its current ownership, which is unknown. Depending on the outcome of the condemnation proceeding, CBO expects that the NPS would then: (1) annex the property without further cost to the government (if no owner is located), (2) accept donation of the tract (if the owner is another government agency), or (3) purchase the property (if a private owner is located). In any event, CBO estimates that the cost of acquiring the property (including legal expenses) would be less than \$50,000, assuming the availability of appropriated funds.

## **San Gabriel River Watersheds Study**

Title VI would direct the NPS to conduct a study of two areas to determine the suitability and feasibility of establishing them collectively as a unit of the National Park System. The study areas are composed of certain segments of the San Gabriel Mountains and the San Gabriel River and tributaries in California. The bill would require the department to report findings and recommendations within three years of receiving funding for the study.

Assuming the availability of appropriated funds, CBO estimates that implementing title VI would cost the federal government less than \$500,000 over the next three years to complete the required study and report.

## **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. Title III of this legislation, which would authorize the NPS to make payments to certain school districts from available donations or fees, could result in additional direct spending. CBO expects, however, that most of the funding would come from appropriations because very few receipts would be available for this purpose. In any case, we estimate that any increase in direct spending would be less than \$500,000 a year.

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

Title IV of S. 941 may contain an intergovernmental or private-sector impact as defined in UMRA, but CBO estimates that the costs of any such mandate would not be significant and would fall well below the thresholds established in that act. The annual thresholds in 2002 are \$58 million and \$115 million, respectively, for intergovernmental and private-sector mandates, adjusted annually for inflation.

Title IV would authorize the NPS to acquire a 0.2-acre parcel of land. Because the owner of this parcel cannot be found, condemnation may be the only course of action for the NPS to gain title. CBO has generally found that when legislation is expected to result in condemnation of property, it contains a mandate. The cost of such a mandate generally is equal to the value of the property. However, because in this case the NPS cannot identify the current owner of the parcel, CBO cannot determine whether this mandate would fall on a government, on the private sector, or on both. In any event, based on information provided by the NPS, CBO estimates that the value of the property is less than \$50,000.

The other titles of this act contain no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

## **PREVIOUS CBO ESTIMATE**

CBO has prepared cost estimates for legislation nearly identical to all six titles of S. 941. On August 21, 2001, we submitted an estimate for S. 941 as ordered reported by the Senate Committee on Energy and Natural Resources on August 2, 2001. The Senate version of S. 941 contained language very similar to titles I and II of the House version, and the estimated costs for the two versions are identical. We have also prepared cost estimates for four bills as ordered reported by the House Committee on Resources: H.R. 3421, the Yosemite National Park Education Improvement Act, as ordered reported on March 20, 2002 (cost estimated transmitted on April 8, 2002); H.R. 3425, a bill to direct the Secretary of the Interior to study the suitability and feasibility of establishing Highway 49 in California, known as the “Golden Chain Highway,” as a National Heritage Corridor, as ordered reported on March 20, 2002 (transmitted on March 28, 2002); H.R. 3942, the John Muir National Historic Site Boundary Adjustment Act, as ordered reported on May 22, 2002 (transmitted on June 14, 2002), and the San Gabriel River Watersheds Study Act of 2002, as ordered reported on July 24, 2002 (transmitted on July 31, 2002). The estimated costs of these earlier versions of legislation are the same as the provisions included in S. 941.

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