CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 9, 2004

H.R. 2715

A bill to provide for necessary improvements to facilities at Yosemite National Park

As ordered reported by the House Committee on Resources on October 29, 2003

SUMMARY

H.R. 2715 would establish development priorities for the Yosemite National Park in California. The bill would direct the National Park Service (NPS) to use funds made available through donations, user fees, or appropriations (including previously appropriated amounts) to carry out specified development priorities. Finally, H.R. 2715 would encourage the NPS to use public-private partnerships to provide housing for park and concessionaire employees, a major priority under both current park policy and the legislation.

CBO estimates that enacting H.R. 2715 would have no significant net impact on the federal budget over the next 10 years. Most of the projects specified in the bill are already considered park priorities by the NPS and are authorized to be implemented using previously appropriated funds or amounts that may be made available in future appropriation acts. Implementing three new projects specified by the bill could cause the NPS to reprogram about $15 million of funds previously appropriated for other Yosemite priorities, but we expect that this would cause little or no change in the timing of expenditures.

H.R. 2715 would not have a significant effect on revenues or direct spending (including offsetting receipts). CBO estimates that enacting the bill would have no impact on the spending of park donations or fees because such collections are already available for expenditure without further appropriation.

This legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

H.R. 2715 would address development needs for Yosemite National Park, including the construction of visitor and employee facilities and the restoration of park resources damaged by severe flooding in the late 1990s. In order to accomplish these and other park goals, the most recent versions of the Yosemite general management plan (GMP), the Yosemite Valley Plan, and other policy documents call for more than 200 separate projects to be accomplished over 20 years at a cost of more than $400 million. Because of continuing controversy and litigation over the level of development acceptable to local groups and environmental organizations, there has been little progress on these plans, and recent court decisions in the debate may delay implementation of these plans indefinitely. CBO estimates that enacting the bill would have little or no impact on the level or timing of federal expenditures to develop Yosemite.

Development Priorities

H.R. 2715 would direct the NPS to allocate funds available for Yosemite (including previously appropriated amounts) for specific priorities: constructing certain campgrounds and employee housing, removing an existing facility, developing parking, transportation, and traffic management services, and assisting in local land planning efforts. Most of these projects have already been established as park priorities under the GMP and Yosemite Valley Plan and will be carried out under existing authority using funds provided by previous or future appropriations.

Three of the specified projects, however, represent new legislative priorities that would otherwise not be implemented under existing authority (because those projects have been found to be inconsistent with existing park plans). We estimate that carrying out these projects—rebuilding the upper and lower river campgrounds and removing the Le Conte Memorial—would cost about $15 million. Under H.R. 2715, the NPS could reprogram previously appropriated development funds for these new purposes. CBO expects, however, that implementing the new projects would occur at the same pace as spending on existing priorities, so any net effect on federal spending over the next 10 years would be negligible.

Employee Housing Provisions

H.R. 2715 also would address the ongoing shortage of housing for concessionaire staff and federal employees at Yosemite, primarily by directing the NPS to enter into partnerships with private entities whenever possible. To facilitate the execution of such agreements with offsite developers, the bill would waive an existing statutory limitation on the value of occupancy guarantees that the agency may offer. CBO estimates that enacting these provisions would have no significant impact on the federal budget because they would not change the agency's ability to use public-private partnerships.

Current NPS plans for Yosemite call for constructing or renovating more than 2,000 housing units (beds) for federal and concessionaire employees. CBO estimates that building the necessary units within or near the park will cost over $200 million over the next 10 years, assuming appropriation of the necessary amounts. (Of this amount, $27 million has already been appropriated for a dormitory within park boundaries.)

The NPS is already authorized to construct needed housing or acquire it through lease-purchase, rental agreements, and other arrangements with private partners—subject to appropriation in advance of the amounts necessary to cover all federal contractual obligations. In conjunction with these partnerships, the agency may also guarantee the occupancy of up to 75 percent of the units provided under contract, provided that the total value of all outstanding NPS guarantees does not exceed $3 million. This guarantee is also subject to the availability of appropriated funds for the full cost of any federal committment. The NPS has been unable to use these financing mechanisms at Yosemite because market conditions and other factors—most notably the limited scale of individual projects, scarcity of appropriated funds, and constraints on potential rental rates—make it unlikely that any partnership would be profitable for a private developer.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

This legislation contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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