



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 3, 2004

H.R. 2960

A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the Brownsville Public Utility Board water recycling and desalinization project

As ordered reported by the House Committee on Resources on July 14, 2004

SUMMARY

H.R. 2960 would authorize the Secretary of the Interior to participate in the design, planning, and construction of facilities to reclaim, reuse, and treat water in cooperation with the Brownsville Public Utility Board in Texas. The federal share of the cost of the project could not exceed 25 percent, or a maximum of \$20 million.

Assuming appropriation of the necessary funds, CBO estimates that implementing H.R. 2960 would cost \$18 million over the 2005-2009 period and an additional \$2 million after that period. Enacting this bill would not affect direct spending or revenues.

H.R. 2960 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. The federal funds authorized by this bill would benefit local governments in Texas. Any expenditures made by those governments to provide the required matching funds would be made voluntarily.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2960 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				
	2005	2006	2007	2008	2009
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	4	4	4	4	4
Estimated Outlays	3	3	4	4	4

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 2960 will be enacted near the start of fiscal year 2005 and that the authorized amount will be appropriated in equal amounts over the 2005-2009 period. Based on historical spending patterns of similar projects, CBO estimates that implementing this bill would cost \$18 million over the 2005-2009 period and an additional \$2 million after that period.

According to the Bureau of Reclamation, the feasibility study for this project is in the early stages of development and will not be completed until 2005. At this point, the agency is not clear on the direction the project will take, and no information on the potential scope of the project is currently available. Because the project authorization under H.R. 2960 is very broad, CBO assumes that the federal share of the project's cost would be the maximum of \$20 million.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2960 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The federal funds authorized by this bill would benefit local governments in Texas. Any expenditures made by those governments to provide the required matching funds would be made voluntarily.

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