



# CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 9, 2004

## **S. 2856**

### **An act to limit the transfer of certain Commodity Credit Corporation funds between conservation programs for technical assistance for the programs**

*As cleared by the Congress on December 6, 2004*

#### **SUMMARY**

S. 2856 would authorize the use of Commodity Credit Corporation (CCC) funds to pay for technical assistance to agriculture producers who participate in the Agriculture Department's (USDA's) Conservation Reserve Program (CRP) or the Wetlands Reserve Program (WRP). Technical assistance generally consists of the salaries and expenses of government employees who negotiate and plan agreements with participants who choose to enroll in those land conservation programs. The legislation also would prohibit the transfer of funds between USDA's various conservation programs. CBO estimates that relative to current law (as reflected in our March 2004 baseline estimates), enacting S. 2856 would increase direct spending by \$1.3 billion over the 2005-2014 period. Relative to the 2005 budget resolution baselines adopted by the House and Senate Budget Committees, however, enacting this legislation would have no additional cost.

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

CBO's estimate of the impact of S. 2856 on direct spending 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	2010	2011	2012	2013	2014
Estimated Budget Authority	138	151	117	66	336	211	122	91	44	74
Estimated Outlays	53	104	118	96	199	206	181	136	91	79

## **BASIS OF ESTIMATE**

S. 2856 would amend section 1241 of the Food Security Act of 1985 to authorize the use of CCC funds for technical assistance expenses to implement the CRP and WRP. Under current law, technical assistance funds for those programs are covered by amounts available to other conservation programs. CBO expects that total spending would increase under S. 2856 because amounts previously transferred to the CRP and WRP would be spent by USDA's other conservation programs.

CBO's estimate of technical assistance spending under S. 2856 is based on information from USDA about the costs to negotiate and plan different kinds of agreements with landowners to restore land or grant permanent conservation easements. Many CRP contracts will expire in 2008 and 2009, which will lead to a significant increase in the need for technical assistance for participants wishing to extend contracts.

CBO's estimate of the costs for this legislation were incorporated into the budget resolution baselines adopted by the House and Senate Budget Committees earlier this year. Thus, the legislation would have no impact relative to those baseline projections.

**ESTIMATE PREPARED BY:** Jim Langley

**ESTIMATE APPROVED BY:**

Peter H. Fontaine  
Deputy Assistant Director for Budget Analysis