



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 9, 2005

H.R. 1721

A bill to amend the Federal Water Pollution Control Act to reauthorize programs to improve the quality of coastal recreation waters, and for other purposes

*As ordered reported by the House Committee on Transportation and Infrastructure
on October 26, 2005*

SUMMARY

H.R. 1721 would authorize appropriations through fiscal year 2011 for the water quality program that benefits coastal states under the Clean Water Act. Under this program, the Environmental Protection Agency (EPA) provides grants to state or local governments to support their efforts to monitor the quality of coastal waters and notify the public of any conditions where beach water does not meet established standards. Under current law, EPA was authorized to receive annual appropriations of \$30 million for grants and such sums as may be necessary to manage this water quality program through 2005.

Assuming the appropriation of necessary funds, CBO estimates that implementing this legislation would cost \$10 million in 2006 and \$121 million over the 2006-2010 period, with additional spending occurring in later years. Enacting the bill would not affect direct spending or revenues.

H.R. 1721 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs to state or local governments would be the result of complying with grant conditions.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1721 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				
	2006	2007	2008	2009	2010
SPENDING SUBJECT TO APPROPRIATION					
Spending Under Current Law					
Budget Authority ^a	11	0	0	0	0
Estimated Outlays	12	6	3	1	0
Proposed Changes					
Estimated Authorization Level	20	31	31	31	31
Estimated Outlays	10	23	27	30	31
Spending Under H.R. 1721					
Estimated Authorization Level ^a	31	31	31	31	31
Estimated Outlays	22	29	30	31	31

a. The 2006 level is the amount appropriated for that year for both grants and EPA program management.

BASIS OF ESTIMATE

The bill would authorize the appropriation of \$30 million annually over the 2006-2011 for grants to states to implement beach water quality and public notification programs. For this estimate, CBO assumes that H.R. 1721 will be enacted before the end of calendar year 2005 and that the necessary funds will be appropriated for each year. We also assume that additional amounts up to the authorized level will be appropriated for grants in 2006 and that, in subsequent years, the appropriation will be provided at the full authorized level of \$30 million annually. Based on historical spending patterns for those programs, CBO estimates that providing the grants would cost \$117 million over the 2006-2010 period.

H.R. 1721 also would authorize the appropriation of such sums as may be necessary for EPA to establish new criteria for monitoring water quality and to manage the program through 2011. Assuming appropriations for such administrative activities would continue at the 2006 level (with annual inflation adjustments), CBO estimates that implementing the program would cost about \$1 million a year over the 2007-2011 period. In total, CBO estimates that outlays resulting from the appropriations for grants and administrative activities would sum to \$121 million over the 2006-2010 period, with additional spending occurring in later years.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1721 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would reauthorize water quality programs that benefit coastal states. Much of the funding authorized in the bill would be directed in the form of grants to public or private entities such as qualified state and local governments. Any costs to these governments from the requirements of the program, including matching funds, would be incurred voluntarily.

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