



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

December 1, 2005

S. 648

**A bill to amend the Reclamation States Emergency Drought Relief Act
of 1991 to extend the authority for drought assistance**

*As ordered reported by the Senate Committee on Energy and Natural Resources
on November 16, 2005*

SUMMARY

The Bureau of Reclamation undertakes construction, water management, and water conservation activities to alleviate damages caused by drought in certain states. Under current law, the authority to provide such assistance ended on September 30, 2005. S. 648 would extend that authority through September 30, 2010.

Assuming appropriation of amounts necessary to provide the drought assistance authorized by S. 648, CBO estimates that implementing the bill would cost \$18 million over the 2006-2010 period and another \$2 million after 2010. Enacting S. 648 would not affect direct spending or revenues.

S. 648 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would benefit states and local and tribal governments that qualify for reclamation assistance by extending the legislative authority that provides them such drought aid. Any costs incurred by governmental entities would result from complying with conditions for receiving federal assistance.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 648 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
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 S. 648 will be enacted in fiscal year 2006 and that the necessary amounts will be appropriated for each year. Estimates of outlays are based on historical spending patterns for this activity.

The Reclamation States Emergency Drought Relief Act of 1991 provided the Bureau of Reclamation the authority to mitigate damages caused by drought in certain states by undertaking construction, water management, and water conservation activities. Since that time, the Congress has provided almost \$70 million for those activities (an average of about \$4 million per year over the past 16 years).

S. 648 would extend the authority provided under the 1991 act over the 2006-2010 period. Because we cannot predict the timing or severity of droughts, CBO assumes for this estimate, that the need to undertake drought relief over the next five years will continue at the same rate as the average need over the past 16 years. CBO estimates, therefore, that implementing S. 648 would cost about \$4 million each year over the 2006-2010 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 648 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would benefit certain states and local and tribal governments within those states by extending the legislative authority that provides them drought aid. Any costs incurred by governmental entities would result from complying with conditions for receiving federal assistance.

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