



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

December 8, 2014

H.R. 5781
California Emergency Drought Relief Act of 2014
As introduced on December 2, 2014

SUMMARY

H.R. 5781 would direct the Bureau of Reclamation (BOR) to issue permits for water transfers and certain water projects on an expedited basis. Based on information from BOR and assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 5781 would cost \$33 million over the 2015-2019 period. Because enacting the legislation would not affect direct spending or revenues, pay-as-you-go procedures do not apply.

H.R. 5781 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would benefit state and local water agencies in the State of California. Any costs to those agencies resulting from the bill would be incurred voluntarily.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 5781 is shown in the following table. The cost of this legislation falls within budget function 300 (natural resources and environment).

| | By Fiscal Year, in Millions of Dollars | | | | | 2015-2019 |
|-----------------------------------------------------|----------------------------------------|------|------|------|------|-----------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | |
| CHANGES IN SPENDING SUBJECT TO APPROPRIATION | | | | | | |
| Estimated Authorization Level | 6 | 8 | 8 | 8 | 8 | 38 |
| Estimated Outlays | 3 | 6 | 8 | 8 | 8 | 33 |

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 5781 will be enacted at the end of calendar year 2014 and that the necessary amounts will be appropriated over the next five years.

With the aim of increasing water deliveries to the Central Valley Project (CVP) and the State Water Project (SWP) users and to increase water supplies for users in the San Joaquin River water districts, H.R. 5781 would direct the BOR to issue permit decisions and complete environmental reviews within 30 days for water transfer requests and certain water projects including the use of temporary water barriers and operable gates on water channels in the Sacramento-San Joaquin Delta in California.

The bill also would authorize the CVP and SWP, on a temporary basis, to operate at modified flow levels on days when the daily average flow rates exceed 17,000 cubic feet per second (typically caused by storms). During such periods, the BOR, in coordination with other federal agencies, would be required to implement a program to identify, monitor, and mitigate any impacts on endangered species from operating at those levels.

Based on information from the BOR, CBO estimates implementing those provisions would cost \$33 million over the 2015-2019 period, assuming appropriation of the necessary amounts. Most of those funds would be used to hire additional staff to expedite permits and reviews, and for additional monitoring of endangered species.

Under the bill, those activities would be authorized through the later of September 30, 2016, or until the Governor of California suspends the drought emergency declaration. The Governor of California declared the state of drought emergency on January 17, 2014, and based on information from the BOR, replenishing the state's reservoirs could take several years. For this estimate, CBO assumes that the declaration will remain in effect through 2019. If the declaration were lifted earlier, the costs to implement H.R. 5781 would be less.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5781 contains no intergovernmental or private-sector mandates as defined in UMRA and would benefit state and local water agencies in the State of California. Any costs to those agencies resulting from the bill would be incurred voluntarily.

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