



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 26, 2016

S. 2717 **Dam Repairs and Improvements for Tribes Act of 2016**

*As ordered reported by the Senate Committee on Indian Affairs
on April 27, 2016*

SUMMARY

S. 2717 would establish two new funds in the Treasury and transfer a total of \$33 million a year from the Reclamation Fund into the proposed funds through 2037. The bill would authorize the appropriation of the amounts transferred each year and any interest credited to the unspent balances in the proposed funds to, among other things, rehabilitate and maintain federally owned dams managed by the Bureau of Indian Affairs (BIA). The bill also would authorize the U.S. Army Corps of Engineers (Corps) to carry out studies and water projects when requested by tribes and to waive up to \$200,000 of a tribe's cost-sharing obligations for certain studies or projects.

Based on information from the BIA and the Corps, CBO estimates that implementing the legislation would cost \$136 million over the 2017-2021 period, subject to appropriation of the authorized amounts. Enacting S. 2717 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply to this legislation.

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

S. 2717 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2717 is shown in the following table. The costs of this legislation fall within budget functions 300 (natural resources and environment) and 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars					2017- 2021
	2017	2018	2019	2020	2021	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Rehabilitation and Maintenance of Indian Dams						
Estimated Authorization Level	35	35	35	35	35	175
Estimated Outlays	12	21	28	33	35	129
Studies and Projects						
Estimated Authorization Level	1	1	1	1	1	7
Estimated Outlays	1	1	1	1	1	7
Total Increases						
Estimated Authorization Level	36	36	36	36	36	182
Estimated Outlays	13	22	29	34	36	136

Note: Components may not sum to totals because of rounding.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 2717 will be enacted near the start of 2017 and that the authorized and necessary amounts will be appropriated each fiscal year. Estimated outlays are based on information from BIA, the Corps, and historical spending patterns for similar projects.

Rehabilitation and Maintenance of Indian Dams

CBO estimates that implementing the provisions to rehabilitate and maintain Indian dams would cost \$129 million over the 2017-2021 period, assuming appropriation of the authorized and estimated amounts.

Title I would authorize the annual appropriation of \$33 million and any accrued interest on unspent balances through 2037 to repair, replace, and maintain Indian dams. Based on historical spending patterns for similar projects, CBO estimates that \$119 million of the authorized amounts would be spent over the 2017-2021 period. (CBO estimates that over the 2017-2021 period the amount of accrued interest would be less than \$1 million.)

S. 2717 also would direct the Department of the Interior to prepare an annual report for the Congress describing the condition of each Indian dam. In addition, BIA would be directed to consult with tribes and dam users and incorporate their recommendations before

undertaking repairs or modifications. According to information from BIA there are 837 such dams and CBO estimates that preparing the reports and conducting consultations would cost \$2 million per year over the 2017-2021 period.

Studies and Projects

CBO estimates that implementing provisions of the bill that would authorize the Corps to assist Indian tribes with carrying out studies and constructing water projects would cost \$7 million over the 2017-2021 period; such spending would be subject to the availability of appropriated funds.

S. 2717 would authorize the Corps, upon the request of a tribe, to study how water projects could reduce the risk of floods, restore the environment, and protect natural resources. The bill also would authorize the Corps to assist tribes with the design and construction of those projects the federal share of any project's costs could not be more than \$10 million.

Based on information from the Corps about the types of projects that might be studied, CBO estimates that the Corps would carry out 4 additional studies each year at a cost of about \$100,000 per study or \$2 million over the 2017-2021 period. The Corps could begin construction on some projects after completing those studies and negotiating agreements with the tribes, but CBO does not expect that would happen until after 2021. Future construction costs would depend on the outcome of the studies undertaken by the Corps, which CBO cannot predict.

Finally, the bill would authorize the Corps to waive up to \$200,000 of a tribe's cost-sharing obligations for studies and projects implemented under current law. Based on information from the Corps about anticipated future projects, CBO estimates the Corps would waive about \$1 million per year in cost sharing obligations, thus increasing federal costs by \$5 million over the 2017-2021 period.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2717 contains no intergovernmental or private-sector mandates as defined in UMRA. Tribal governments would benefit from the funds established in the bill to address the maintenance needs of Indian dams. Tribes also would benefit from a program in the bill that would provide guidance for managing flood plains and a program that would offer assistance with projects relating to water resources development. Any costs to tribal governments would be incurred voluntarily as a condition of receiving federal assistance.

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