



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

December 11, 2007

**H.R. 123**  
**A bill to authorize appropriations for the San Gabriel Basin  
Restoration Fund**

*As ordered reported by the House Committee on Natural Resources  
on November 15, 2007*

**SUMMARY**

H.R. 123 would authorize the appropriation of additional amounts to the San Gabriel Basin Restoration Fund and would make use of those funds contingent on the provision of matching funds by local entities in the state of California.

Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 123 would cost \$40 million over the 2008-2012 period. Unspent deposits into the fund would be credited with interest, and CBO estimates that enacting the legislation also would increase direct spending by \$3 million over the 2008-2017 period because that interest could be spent without further appropriation. Enacting H.R. 123 would not affect revenues.

H.R. 123 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 123 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												
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008-2012	2008-2017
<b>CHANGES IN DIRECT SPENDING</b>												
Estimated Budget Authority	0	*	*	1	1	1	0	0	0	0	2	3
Estimated Outlays	0	*	*	1	1	1	0	0	0	0	2	3
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>												
Estimated Authorization Level <sup>a</sup>	0	12	12	12	12	13	0	0	0	0	48	61
Estimated Outlays	0	10	10	10	10	10	11	0	0	0	40	61

Note: \* = direct spending of less than \$500,000.

a. A full-year appropriation for this program has not yet been provided for 2008.

## BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted near the beginning of fiscal year 2008 and that the necessary amounts will be appropriated for each year.

H.R. 123 would authorize an increase in the total amounts that could be appropriated to the San Gabriel Basin Restoration Fund from \$85 million to \$146.2 million. (To date, \$69 million has been appropriated.) The fund was established for the purpose of cleaning up and preventing contamination of groundwater in the San Gabriel River basin in California. The Secretary of the Interior, working in coordination with municipalities, is authorized to help design and construct water quality projects and reimburse the operation and maintenance costs of those facilities for up to 10 years.

Assuming appropriation of the necessary amounts, CBO estimates that implementing the legislation would result in additional discretionary spending of \$40 million over the 2008-2012 period and an additional \$21 million thereafter.

Funds deposited into the San Gabriel Basin Restoration Fund are credited with interest until they are spent. Those amounts are available for spending without further appropriation. Based on CBO's projections of the federal funds rate and estimated balances in the San Gabriel Basin Restoration Fund, CBO estimates that enacting H.R. 123 would increase net direct spending by \$3 million over the 2008-2017 period.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 123 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Assuming appropriation of the authorized amounts, the San Gabriel Basin Water Quality Authority and the Central Basin Municipal Water District would receive an additional \$40 million for water restoration activities. Those entities would be required to provide matching funds, but those costs would be incurred voluntarily.

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