



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 14, 2018

S. 1012

New Mexico Drought Preparedness Act of 2018

*As ordered reported by the Senate Committee on Energy and Natural Resources
on October 2, 2018*

SUMMARY

S. 1012 would extend the authority of the Bureau of Reclamation (BOR) to provide grants to Pueblo Indian Tribes to repair and replace irrigation infrastructure in New Mexico. The bill also would direct BOR to contract with the National Academy of Sciences (NAS) to study the management and consumption of water in the Rio Grande Basin. Finally, S. 1012 would authorize BOR to assist irrigation districts and water utilities in the state with projects designed to conserve water and to coordinate the acquisition of water from willing sellers. Using information from BOR, CBO estimates that implementing the bill would cost \$22 million over the 2019-2023 period, assuming appropriation of the authorized and necessary amounts.

Enacting S. 1012 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting S. 1012 would not increase direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 1012 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 effect of S. 1012 is shown in the following table. The costs of the legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					2019-2023
	2019	2020	2021	2022	2023	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	1	6	6	6	6	25
Estimated Outlays	1	4	5	6	6	22

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1012 will be enacted in 2019 and that the authorized and necessary amounts will be appropriated for each year. Estimated outlays are based on historical spending patterns for similar programs.

Under current law, BOR’s authority to provide grants to Pueblo Indian Tribes to repair and replace irrigation infrastructure expires in 2019. About \$3 million has been expended for the program since 2013. S. 1012 would authorize the appropriation of \$6 million annually through 2026 for the grants. CBO estimates that implementing this provision would cost \$21 million over the 2019-2023 period and \$21 million after 2023.

S. 1012 would direct BOR to contract with NAS to study water management and consumption in the basin, identify potential effects of climate change, and recommend methods to enhance drought resiliency and protect the ecosystems and habitats of endangered species. CBO estimates that completing the study would cost \$1 million in 2019.

Finally, S. 1012 would authorize BOR to assist irrigation districts and water utilities in the state with projects aimed to conserve water, coordinate water acquisitions from willing sellers, and construct infrastructure to secure water supplies during periods of drought. Under current law, BOR is authorized to carry out those activities under existing programs and will continue to provide such assistance. Therefore, CBO estimates that implementing those provisions would not affect the federal budget.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 1012 would not increase direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

MANDATES

S. 1012 contains no intergovernmental or private-sector mandates as defined in UMRA.

ESTIMATE PREPARED BY

Federal Costs: Aurora Swanson
Mandates: Zachary Byrum

ESTIMATE REVIEWED BY

Kim P. Cawley
Chief, Natural and Physical Resources Cost Estimates Unit

H. Samuel Papenfuss
Deputy Assistant Director for Budget Analysis