

At a Glance

S. 2044, Water Supply Infrastructure Rehabilitation and Utilization Act

As reported by the Senate Committee on Energy and Natural Resources on October 29, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	0	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	*	487	not estimated
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = between -\$500,000 and \$500,000.

The bill would

- Establish a program in the Bureau of Reclamation (BOR) to fund rehabilitation of aging federal infrastructure and facilities
- Authorize nonfederal partners to use government funds for rehabilitation projects and then repay those funds over a term of up to 50 years
- Deposit repaid funds into the Aging Infrastructure Account to be spent without further appropriation
- Authorize the appropriation of \$709 million for dam safety projects including adjustments for inflation
- Authorize a pilot program to review and revise flood control rules at BOR facilities

Estimated budgetary effects would primarily stem from

- Authorizing appropriations for BOR to rehabilitate infrastructure and carry out dam safety projects

Areas of significant uncertainty include

- Projecting nonfederal partners' interest in seeking funding under the infrastructure rehabilitation program
- Estimating the amount of appropriated funding required for eligible projects
- Forecasting the time needed to complete funded projects

Detailed estimate begins on the next page.

Bill Summary

CBO estimates that S. 2044 would authorize the appropriation of \$1.7 billion including adjustments for inflation for the Bureau of Reclamation (BOR) to establish a program to complete infrastructure maintenance and rehabilitation projects, carry out dam safety projects, and increase the flexibility of reservoir operations.

Under the bill, BOR would provide funding to nonfederal partners who rehabilitate infrastructure projects that are owned by the federal government. Those entities would repay the funds to the Aging Infrastructure Account over periods of up to 50 years. Funds from that account would be available to be spent without further appropriation for future projects.

Estimated Federal Cost

The estimated budgetary effect of S. 2044 is shown in Table 1. The costs of the legislation fall within budget function 300 (natural resources and environment).

Table 1.
Estimated Increases in Spending Subject to Appropriation Under S. 2044

	By Fiscal Year, Millions of Dollars						2020-2025
	2020	2021	2022	2023	2024	2025	
Aging Infrastructure^a							
Estimated Authorization	2	50	200	200	250	300	1,002
Estimated Outlays	*	3	15	38	70	108	234
Dam Safety							
Estimated Authorization	2	115	130	145	155	162	709
Estimated Outlays	*	6	18	44	72	102	242
Flood Control Pilot Project^a							
Estimated Authorization	*	6	6	6	6	6	30
Estimated Outlays	*	*	1	2	3	5	11
Total Changes							
Estimated Authorization	4	171	336	351	411	468	1,741
Estimated Outlays	*	9	34	84	145	215	487

* = between zero and \$500,000.

a. Implementing the aging-infrastructure and flood control programs could affect direct spending, but CBO estimates that those effects, discussed under the heading "Direct Spending," would be insignificant.

Basis of Estimate

For this estimate, CBO assumes that S. 2044 will be enacted in 2020. The bill would authorize the appropriation of \$709 million including adjustments for inflation for the dam safety program but does not specify the year in which any appropriation should be provided. The bill would not authorize the appropriation of specific amounts for other programs in the

bill. CBO has estimated the necessary amounts for each year using information from BOR and the Army Corps of Engineers. Estimated outlays are based on historical spending patterns for similar programs.

S. 2044 would authorize BOR to make loans to nonfederal partners to rehabilitate federal infrastructure. Those loans would be accounted for in the budget on a cash basis because under the Federal Credit Reform Act of 1990 accrual accounting does not apply to federal activities. Thus, estimated outlays to and future receipts from nonfederal partners to the federal government for their share of project costs also would be recorded on a cash basis at the time those payments occur.

Spending Subject to Appropriation

CBO estimates that S. 2044 would authorize the appropriation of about \$1.7 billion over the 2020-2025 period. Assuming appropriation of that amount, CBO estimates that implementing the bill would cost \$487 million over the same period and hundreds of millions of dollars after 2025.

Aging Infrastructure. S. 2044 would establish a program for BOR and nonfederal entities that operate BOR facilities to provide extraordinary maintenance and nonrecurring rehabilitation of aging infrastructure and facilities.

Using information from BOR, CBO estimates that in the next five years about \$3 billion will be needed to rehabilitate critical BOR facilities. Under current law, the agency plans to request appropriations for about a third of those costs. CBO estimates that nonfederal partners would seek at least an additional \$1 billion under the program's extended repayment plans to fund some of the remaining projects; thus, implementing those provisions would cost \$234 million over the 2020-2025 period, assuming appropriation of the estimated amounts. The remaining amounts would be spent after 2025.

Dam Safety. S. 2044 would authorize the appropriation of \$709 million including adjustments for inflation for a dam safety program under BOR's direction. BOR would evaluate dams and conduct related work to mitigate public risk. Under current law, about \$70 million has been appropriated in recent years for dam safety; at least \$1 billion remains authorized to be appropriated. However, based on information from BOR, it appears that unmet needs for dam safety are significant. For example, estimated costs approach \$2 billion for two safety projects—the B.F. Sisk Dam in California and the Scoggins Dam in Oregon.

Using information from BOR, CBO estimates that implementing provisions for dam safety would cost \$242 million over the 2020-2025 period, assuming appropriation of the necessary amounts. The remaining amounts would be spent after 2025.

Flood Control Pilot Project. S. 2044 would direct BOR, in consultation with the Army Corps of Engineers, to establish a pilot program to review and adjust flood control rules for BOR facilities that have not been adjusted in the past 10 years.

Information from those agencies indicates that adjusting flood control rules would require analyses of weather predictions, trends in water availability and hydrology, sedimentation of reservoirs, and groundwater management. Completing those analyses and implementing adjustments for each BOR facility would take several years. S. 2044 would require the program to include at least one BOR facility each year. The average cost of analysis and adjustments ranges from \$2 million to \$10 million, depending on the complexity of the facility and the scope of the adjustment. CBO estimates that implementing the program's provisions would cost \$11 million over the 2020-2025 period.

Direct Spending

CBO expects that enacting S. 2044 could affect direct spending but estimates that the effects would be insignificant over the 2020-2030 period.

Aging Infrastructure. S. 2044 would authorize BOR to offer repayment periods of up to 50 years for projects funded under the infrastructure program. The payments would be deposited into the Aging Infrastructure Account and would be available to spend without further appropriation. CBO estimates that the amount of offsetting receipts deposited into the account would be insignificant over the 2020-2030 period because payments would begin after construction is substantially complete. The period of construction would vary, depending on project size and complexity, but could be 10 years or more for larger projects.

Flood Control Pilot Project. Under the bill, implementing the flood control pilot project could affect direct spending because S. 2044 would authorize BOR to accept and expend funds from nonfederal partners to review and adjust flood control rules. The Army Corps of Engineers is already authorized to accept and expend such funds but nonfederal partners rarely pursue this option. CBO cannot determine whether nonfederal partners would seek to contribute funds to BOR for completing reviews. In the event that they make such contributions, CBO estimates that the net effect on direct spending would be negligible over the 2020-2030 period because nonfederal contributions to cover the cost of completing reviews would probably be spent soon after they are collected.

Uncertainty

This cost estimate is subject to uncertainty in several areas, the largest of which concern whether nonfederal partners would seek funding under the aging infrastructure program, how much money would be appropriated to fund eligible projects, and how long it would take to complete them. The cost of the program could be higher or lower

if nonfederal partners seek greater or smaller amounts of funding under the program and if projects receive more or less total funding than CBO estimates.

Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. CBO estimates that the net changes in outlays that are subject to those pay-as-you-go procedures would be insignificant.

Increase in Long-Term Deficits:

CBO estimates that enacting S. 2044 would not significantly increase on-budget deficits in any of the four consecutive 10-year periods beginning in 2031.

Mandates: None.

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