

CBO's Estimate of the Statutory Pay-As-You-Go Effects of H.R. 7575, the Water Resources Development Act of 2020, as Posted on the Website of the Clerk of the House on July 28, 2020

<https://docs.house.gov/billsthisweek/20200727/BILLS-116hr7575-SUSv1.pdf>

	By Fiscal Year, Millions of Dollars											2020-2025	2020-2030
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
	Net Increase in the Deficit												
Pay-As-You-Go Effects	0	67	67	67	67	67	67	67	67	67	67	337	673

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those procedures are shown here.

Components may not sum to totals because of rounding. Estimates are relative to CBO's March 2020 baseline. Enactment is assumed near the end of fiscal year 2020.

H.R. 7575 would authorize the Army Corps of Engineers to construct projects and conduct feasibility studies to improve navigation and flood management, mitigate storm and hurricane damage, and restore ecosystems. Enacting the bill would increase direct spending by \$673 million over the 2020-2030 period and would not affect revenues. CBO has not completed an estimate of the bill's effects on spending that is subject to appropriation.

H.R. 7575 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

Section 140 would authorize the Corps, at the request of the nonfederal sponsor of a project, to renegotiate deferred payment agreements that meet certain criteria. Three projects in Louisiana—West Bank Vicinity, Lake Pontchartrain and Vicinity, and Southeast Louisiana Urban Flood Control Project—would be eligible to request renegotiations. Under current law, the state will pay about \$3.5 billion over 30 years to the Corps for outstanding principle and interest under those deferred payment agreements. Using information from the Corps, CBO estimates that enacting this provision would decrease offsetting receipts by a total of \$327 million over the 2020-2030 period because we expect that Louisiana would seek relief from interest accrued for those projects during construction. After 2030, additional decreases in offsetting receipts would total about \$658 million, CBO estimates.

Section 333 would authorize the Corps to credit to the State of Louisiana the cost of certain work completed by the state for ecosystem restoration and coastal storm risk management. Such credits would reduce amounts owed under deferred payment agreements for the West Bank Vicinity and Lake Pontchartrain and Vicinity projects. Under current law, the state is scheduled to pay about \$3 billion over 30 years to the Corps for amounts outstanding under those deferred payment agreements. Using information from the Corps, CBO estimates that enacting this provision would decrease offsetting receipts by \$347 million over the 2020-2030 period. After 2030, the state would continue to receive credits that would decrease offsetting receipts, but CBO has no basis to estimate those effects.

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