



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

August 19, 2005

S. 360

Coastal Zone Enhancement Reauthorization Act of 2005

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on July 21, 2005*

SUMMARY

S. 360 would amend the Coastal Zone Management Act of 1972 (CZMA), which governs federal and state environmental management of coastal areas. The bill would authorize appropriations for grants to state and local governments and other coastal zone management programs administered by the National Oceanic and Atmospheric Administration (NOAA).

Assuming appropriation of the authorized amounts, CBO estimates that implementing S. 360 would cost \$26 million in 2006 and \$643 million over the next five years. Enacting S. 360 could increase direct spending and revenues, but we estimate that any such increases would not exceed \$500,000 a year.

S. 360 contains no intergovernmental or private-sector mandates as defined by the Unfunded Mandates Reform Act (UMRA). The bill would benefit coastal states and local governments; any costs they incur would result from complying with conditions for receiving federal assistance.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 360 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					
	2005	2006	2007	2008	2009	2010
SPENDING SUBJECT TO APPROPRIATION						
Current Law						
Budget Authority ^a	124	0	0	0	0	0
Estimated Outlays	157	123	55	12	0	0
Proposed Changes						
Authorization Level	0	170	176	176	182	188
Estimated Outlays	0	26	103	157	176	181
Spending Under S. 360						
Authorization Level ^a	124	170	176	176	182	188
Estimated Outlays	157	149	158	169	176	181

a. The 2005 level is the amount provided for that year to NOAA for coastal zone management activities.

BASIS OF ESTIMATE

S. 360 would authorize the appropriation of \$892 million over the 2006-2010 period for the Secretary of Commerce to implement the CZMA. Under that act, NOAA provides grants and assistance to states and local governments to support efforts to conserve and enhance coastal resources and estuarine reserves. S. 360 would expand existing programs to allow grant recipients to use those funds to address emerging issues such as nonpoint pollution in coastal areas. The bill also would authorize new grants to assess and manage development in coastal communities. Based on historical spending patterns for activities under the CZMA, CBO estimates that implementing S. 360 would cost \$26 million in 2006 and \$643 million over the next five years. That estimate assumes that S. 360 will be enacted near the start of fiscal year 2006 and that funds will be provided as specified in the bill.

In addition, the bill would authorize the Secretary to accept and use donations from the public for projects to study and enhance estuarine resources. Such donations are recorded in the budget as revenues, and spending of the gifts would be considered new direct spending. Based on information from NOAA, CBO estimates that any increases in revenues and subsequent direct spending would be less than \$500,000 annually.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 360 contains no intergovernmental or private-sector mandates as defined in UMRA. Much of the money authorized by the bill would fund grant programs that require matching contributions from participating governments. States would be able to allocate a portion of the grant funds received under the program to qualified local entities, including local governments, to further their coastal management programs. Any costs to those states, including matching funds, would result from complying with conditions for receiving federal assistance.

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