



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 27, 2005

H.R. 1359

A bill to amend the Federal Water Pollution Control Act to extend the pilot program for alternative water source projects

*As ordered reported by the House Committee on Transportation and Infrastructure
on May 18, 2005*

SUMMARY

CBO estimates that implementing this legislation would cost \$63 million over the next five years, assuming appropriation of the authorized amount. H.R. 1359 would extend the authorization for an Environmental Protection Agency program to provide grants to states, interstate and intrastate water resource development agencies, local government agencies, private utilities, and nonprofit entities to develop projects that would enhance water supplies by reusing or treating wastewater. This legislation would authorize the appropriation of \$125 million for the pilot program without any fiscal-year limitation. Enacting the bill would not affect direct spending or revenues.

H.R. 1359 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

For this estimate, CBO assumes that the bill will be enacted near the end of fiscal year 2005 and that the amount authorized will be appropriated evenly over the five years covered by this cost estimate, 2006 through 2010. Estimated outlays are based on historical spending patterns of similar grant programs. The estimated budgetary impact of H.R. 1359 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				
	2006	2007	2008	2009	2010
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	25	25	25	25	25
Estimated Outlays	1	5	13	20	24
Note: The pilot program has not been previously funded.					

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1359 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Enacting this bill would benefit states receiving grant funding. Those grants require a nonfederal cost-share of at least 50 percent. Because that requirement would be a condition for receiving federal assistance, it would not be a mandate under UMRA.

ESTIMATE PREPARED BY:

Federal Costs: Susanne S. Mehlman

Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum

Impact on the Private Sector: Jean Talarico

ESTIMATE APPROVED BY:

Robert A. Sunshine

Assistant Director for Budget Analysis