



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 23, 2004

S. 1727

**A bill to authorize additional appropriations for the
Reclamation Safety of Dams Act of 1978**

*As ordered reported by the Senate Committee on Energy and Natural Resources
on June 16, 2004*

SUMMARY

S. 1727 would increase the ceiling on amounts authorized to be appropriated for the Reclamation Safety of Dams Act by \$540 million (excluding adjustments for inflation). Assuming appropriation of the necessary amounts, CBO estimates that implementing the bill would cost \$135 million over the 2005-2009 period and an additional \$465 million after 2009 (including costs to cover anticipated inflation). Enacting S. 1727 would not affect direct spending or revenues.

In addition, the bill would increase the cost threshold from \$750,000 to \$1.25 million that causes the Bureau of Reclamation to prepare a safety of dams modification report for the Congress and would make other administrative changes to the program. Based on information from the bureau, CBO expects that these provisions would have no significant cost.

S. 1727 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. Any costs incurred by state or local governments to match or reimburse the federal funds authorized by this legislation result from participating in a voluntary federal program.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1727 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					
	2004	2005	2006	2007	2008	2009
SPENDING SUBJECT TO APPROPRIATION						
Dam Safety Spending Under Current Law						
Estimated Authorization Level ^a	55	48	57	0	0	0
Estimated Outlays	30	37	49	24	13	6
Proposed Changes:						
Estimated Authorization Level	0	0	0	60	62	63
Estimated Outlays	0	0	0	31	47	57
Dam Safety Spending Under S. 1727						
Estimated Authorization Level	55	48	57	60	62	63
Estimated Outlays	30	37	49	55	60	63

a. The 2004 amount is an estimate of the amount appropriated for the bureau's Dam Safety Program. The 2005 and 2006 levels are the agency's estimate of the use of the remaining authorization level for this program.

BASIS OF ESTIMATE

This bill would increase the amounts authorized to be appropriated for the Reclamation Safety of Dams Act of 1978 by \$540 million (excluding adjustments for inflation).

Under current law, \$105 million remains to be appropriated of the program authorization level. The current ceiling on amounts authorized to be appropriated for this program is about \$1 billion, including adjustments for inflation. The Bureau of Reclamation estimates that its plan to upgrade dams will use this remaining authorization level by fiscal year 2006 to fund ongoing and future projects.

For this estimate, CBO assumes that S. 1727 will be enacted near the end of 2004. Including adjustments for anticipated inflation, CBO estimates that the authorization ceiling for the program would increase by \$600 million. CBO expects that the additional authorization level under the bill would be needed starting in fiscal year 2007 and would fund projects through 2015. Based on information from the bureau, CBO estimates that implementing this bill would cost \$135 million over the 2005-2009 period and \$465 million after that period (including costs to cover anticipated inflation).

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1727 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Any costs incurred by state or local governments to match or reimburse the federal funds authorized by this legislation result from participating in a voluntary federal program.

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