



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 27, 2000

S. 1762

Small Watershed Rehabilitation Act of 1999

As ordered reported by the Senate Committee on Agriculture on June 20, 2000

SUMMARY

Local watershed project sponsors, assisted by the Natural Resources Conservation Service (NRCS), have constructed over 10,000 watershed projects under the Small Watershed Program. S. 1762 would authorize the Secretary of Agriculture, acting through the NRCS, to assist local project sponsors in rehabilitating those projects. The bill would authorize the appropriation of \$60 million a year over the 2000-2009 period for financial and technical assistance to eligible local organizations for planning, designing, and implementing watershed rehabilitation projects. S. 1762 would require the Secretary to assess the need for watershed rehabilitation in all states in which eligible water projects exist, establish a process for approving requests for assistance, monitor the benefits of rehabilitation efforts, and submit an annual report to the Congress on the status of such efforts.

Based on information from the NRCS, CBO estimates that implementing S. 1762 would cost \$270 million over the 2000-2005 period, assuming appropriation of the amounts specified in the bill. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. S. 1762 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State and local governments would probably incur some costs to match the grants authorized by this bill, but these costs would be voluntary.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1762 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					
	2000	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	60	60	60	60	60	60
Estimated Outlays	0	2	69	72	67	60

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1762 will be enacted during fiscal year 2000 and that funding will be provided as authorized by the bill. Estimates of outlays are based on historical spending patterns for similar programs. To date, no funds have been appropriated to NRCS for activities authorized under S. 1762.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1762 contains no intergovernmental or private-sector mandates as defined in UMRA. State and local governments would probably incur some costs to match the grants authorized by this bill, but these costs would be voluntary. The bill would require recipients to fund at least 35 percent of the total costs of assisted projects.

PREVIOUS CBO ESTIMATE

On November 3, 1999, CBO transmitted a cost estimate for H.R. 728, the Small Watershed Rehabilitation Amendments of 1999, as ordered reported by the House Committee on Agriculture on October 27, 1999. That legislation is nearly identical to S. 1762, and the cost estimates are the same.

On April 17, 2000, CBO transmitted a cost estimate for H.R. 728 as ordered reported by the House Committee on Transportation and Infrastructure on November 18, 1999. The version approved by the Transportation and Infrastructure Committee also would authorize \$60 million a year for the NRCS, but in addition, it would authorize the appropriation of \$30 million in 2001 for federal assistance by the Army Corps of Engineers.

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