

CBO's Estimate of the Statutory Pay-As-You-Go Effects of S. 1811, Water Resources Development Act of 2020, as Posted on the Website of the Clerk of the House on December 4, 2020
<https://docs.house.gov/billsthisweek/20201207/BILLS-116s1811-SUS.pdf>

| | By Fiscal Year, Millions of Dollars | | | | | | | | | | 2021- 2025 | 2021- 2030 |
|--------------------------|-------------------------------------|------|------|------|------|------|------|------|------|------|---------------|---------------|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | | |
| | Net Increase in the Deficit | | | | | | | | | | | |
| Pay-As-You-Go Effects | -220 | -125 | -107 | 77 | 76 | 75 | 75 | 75 | 75 | 75 | -299 | 75 |

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.

Staff Contacts: Aurora Swanson and Kathy Gramp

Components may not sum to totals because of rounding. Estimates are relative to CBO's March 2020 baseline. Enactment is assumed near the beginning of calendar year 2021.

S. 1811 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 \$75 million over the 2021-2030 period and would not affect revenues. CBO has not completed an estimate of the bill's effects on spending that is subject to appropriation.

Section 351 would authorize the Corps, at the request of the nonfederal sponsor of an eligible project, to either renegotiate deferred payment agreements or to repay the outstanding principal in full by 2023 in exchange for a waiver of all interest payments. CBO expects there would be a 50 percent chance that nonfederal sponsors would choose the prepayment option, thus we estimate offsetting collections would increase in fiscal years 2021 through 2023. Using information from the Corps, CBO estimates that enacting this provision would decrease net offsetting receipts (an increase in direct spending) by \$56 million over the 2021-2030 period. After 2030, there would be additional decreases in offsetting receipts but CBO has no basis to estimate those effects.

Other provisions of S. 1811 would increase net direct spending by \$19 million over the 2021-2030 period. The bill would reduce offsetting receipts (an increase in direct spending) by directing the Corps of Engineers to limit charges for water storage at a hydropower lake in the Arkansas River Basin for contracts negotiated before the end of 2022; waive amounts owed by a nonfederal sponsor for a harbor project in False Pass, Arkansas; reduce prices charged to low-income communities for water storage; and modify water storage contracts in Missouri. The bill also would allow the Secretary of the Army to accept and spend funds from the Tennessee Valley Authority, without further appropriation, for activities related to managing the population of Asian carp in certain rivers. After 2030, enacting those provisions would increase net direct spending by over \$20 million.

This estimate does not include an estimate of the effects of section 159 Inland Waterways Pilot Program because CBO did not have sufficient information to complete the analysis of that provision.