

S. 4367 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.

**Estimated Budgetary Effects of S. 4367, the Water Resources Development Act of 2024**  
 As reported by the Senate Committee on Environment and Public Works on May 22, 2024

	By Fiscal Year, Millions of Dollars											2024-2029	2024-2034
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034		
<b>Increases in Direct Spending</b>													
<b>Water Supply Contracts<sup>a</sup></b>													
Estimated Budget Authority	0	3	3	3	3	3	3	3	3	3	3	15	30
Estimated Outlays	0	4	3	3	3	3	3	3	3	3	3	16	31
<b>Seminole Tribal Claim Extension<sup>b</sup></b>													
Estimated Budget Authority	0	1	*	1	*	0	0	0	0	0	0	2	2
Estimated Outlays	0	1	*	1	*	0	0	0	0	0	0	2	2
<b>Total Changes</b>													
Estimated Budget Authority	0	4	3	4	3	3	3	3	3	3	3	17	32
Estimated Outlays	0	5	3	4	3	3	3	3	3	3	3	18	33

CBO expects the bill will be enacted near the end of fiscal year 2024; \* = between zero and \$500,000.

- a. Section 340 would direct the Army Corps of Engineers to change how interest is calculated for two water storage contracts in Kansas. Using information from the Corps, CBO estimates that those changes would decrease interest payments made to the federal government by \$30 million over the 2024-2034 period. Interest payments are recorded as offsetting receipts, that is, as reductions in direct spending. Additionally, section 341 would require the Corps to terminate four water storage contracts if requested by the nonfederal sponsor before their planned expiration, which would relieve the nonfederal sponsor of its obligation to pay part of the annual operation, maintenance, replacement, and rehabilitation expenses. The Corps periodically renews expiring contracts; however, if ongoing contracts were cancelled, the Corps would have to immediately take on the nonfederal sponsors' share of costs until it could find a new nonfederal sponsor. As a result, CBO estimates that the Corps would increase spending from previously appropriated funds by \$1 million over the 2024-2034 period to pay for those expenses that would be covered by the nonfederal sponsors under current law. Increases in spending from previously appropriated funds is treated as an increase in direct spending.
- b. Section 355 would waive through 2027 amounts nonfederal sponsors owe the federal government for damages awarded in a contract dispute related to certain water resource development projects. CBO expects that one project would be affected by this section—an ongoing claims dispute with respect to the Critical Restoration Project of the Big Cypress Seminole Indian Reservation Water Conservation Plan. Under S. 4367, if a final decision is rendered in that case prior to 2027, the nonfederal sponsor's obligation to pay damages would be waived. CBO cannot predict what the decision will be



or whether it will be rendered before the end of 2027. In the absence of specific information, CBO uses a 50 percent probability that such a decision is rendered in that period. On that basis and based on the nonfederal sponsors' costs for the project, CBO estimates that enacting the provision would reduce offsetting receipts by \$2 million over the 2024-2034 period.

### **Direct Spending**

CBO estimates that enacting S. 4367 would increase direct spending by \$33 million over the 2024-2034 period, primarily from sections 340 and 355, as discussed above.

Section 344 would direct the Corps to convey two acres of federal land and associated facilities to the Port of Skamania, Washington, at fair-market value. CBO estimates that provision would increase direct spending by less than \$500,000 over the 2024-2034 period. Using information from the Corps, CBO expects that under current law the agency will lease the land to the port over the 2024-2034 period. Based on the assessed value of similar parcels of land, CBO estimates that enacting section 344 would, on net, decrease offsetting receipts by an insignificant amount because the receipts from the conveyance would be less than the receipts from the lease through 2034.

S. 4367 would authorize appropriations for purposes similar to those specified in the Infrastructure Investment and Jobs Act (IIJA). CBO projects that about half of the \$11.6 billion appropriated in IIJA for construction projects will be spent by 2034; with the remainder spending after 2034. As a result, some of the funds provided in the IIJA would be available for the construction projects authorized under S. 4367. Thus, enacting S. 4367 could increase direct spending over the 2024-2034 period by shifting some spending of those IIJA funds that would otherwise be spent after 2034 under current law into that period. However, CBO has no basis to estimate whether enacting S. 4367 would change the rate of spending relative to CBO's baseline. (The funds provided in IIJA were designated as an emergency requirement.)

### **Spending Subject to Appropriation**

S. 4367 would specifically authorize appropriations totaling nearly \$6 billion (not including adjustments for inflation). That amount includes more than \$2 billion in authorizations for new projects under section 401. CBO has not completed an analysis of the cost of the activities under the legislation that do not have specific amounts authorized to be appropriated.

### **Pay-As-You-Go Considerations**

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. CBO estimates that enacting the legislation would increase direct spending by \$33 million over the 2024-2034 period and would not affect revenues.

### **Increase in Long-Term Net Direct Spending and Deficits**

CBO estimates that enacting S. 4367 would not increase net direct spending by more than \$2.5 billion in any of the four consecutive 10-year periods beginning in 2034.

CBO estimates that enacting S. 4367 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2034.

### **Mandates**

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

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