

At a Glance

S. 3591, America's Water Infrastructure Act of 2020

As reported by the Senate Committee on Environment and Public Works on May 11, 2020

By Fiscal Year, Millions of Dollars	2021	2021-2025	2021-2030
Direct Spending (Outlays)	65	426	1,228
Revenues	0	-9	-100
Increase or Decrease (-) in the Deficit	65	435	1,328
Spending Subject to Appropriation (Outlays)	292	10,076	16,261
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- Authorize appropriations for 18 grant programs of the Environmental Protection Agency (EPA) to fund clean-water infrastructure projects and programs
- Authorize appropriations for the Army Corps of Engineers to construct 29 new water infrastructure projects
- Authorize appropriations for the subsidy cost of loans made under EPA's Water Infrastructure Finance and Innovation Act (WIFIA) program
- Authorize the Corps to renegotiate the terms of deferred-payment agreements with nonfederal sponsors of eligible Corps projects

Estimated budgetary effects would primarily stem from

- Spending of amounts authorized to be appropriated to federal agencies
- Losses of revenues from state and local governments' issuance of tax-exempt bonds
- Direct spending of estimated additional budget authority required for certain WIFIA loans
- Direct spending of estimated reduced payments to the Corps for amounts owed by nonfederal sponsors

Areas of significant uncertainty include

- Projecting the number and size of WIFIA loans that would be awarded to nonfederal entities for federal projects
- Determining whether nonfederal sponsors of Corps projects would successfully renegotiate deferred-payment agreements and the duration of those negotiations

This cost estimate was revised so that the estimated revenues reflect historical estimating conventions.

Detailed estimate begins on the next page.



Bill Summary

S. 3591 would authorize the Army Corps of Engineers to construct projects to restore aquatic ecosystems, improve navigation and flood management, and mitigate storm and hurricane damage. The bill also would authorize the Corps to renegotiate the terms of deferred-payment agreements with nonfederal sponsors of eligible projects.¹ Finally, the bill would authorize appropriations for the Environmental Protection Agency (EPA) to provide grants and loans to state and local governments, public water systems, nonprofit organizations, and other entities to support various water infrastructure projects and programs to improve water quality.

Estimated Federal Cost

The estimated budgetary effect of S. 3591 is shown in Table 1. The costs of the legislation fall within budget function 300 (natural resources and environment).

Table 1.
Estimated Budgetary Effects of S. 3591

	By Fiscal Year, Millions of Dollars										2021-2025	2021-2030
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
Increases in Direct Spending												
Estimated Budget Authority	138	208	208	167	167	167	167	167	167	167	889	1,725
Estimated Outlays	65	70	93	83	115	141	160	167	167	167	426	1,228
Decreases in Revenues												
Estimated Revenues ^a	0	0	-1	-2	-7	-12	-17	-20	-21	-21	-9	-100
Net Increase in the Deficit From Changes in Direct Spending and Revenues												
Effect on the Deficit	65	70	93	85	122	153	177	187	188	188	435	1,328
Increases in Spending Subject to Appropriation												
Estimated Authorization	1,172	4,008	3,807	4,379	982	911	757	746	755	814	14,347	18,329
Estimated Outlays	292	1,154	2,133	3,085	3,412	2,387	1,445	922	727	703	10,076	16,261

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

Components may not sum to totals because of rounding.

a. CBO and the staff of the Joint Committee on Taxation revised the estimate of revenue losses so that the changes in revenue reflect the difference between the authorized amounts and the most recent appropriation, which is consistent with historical conventions.

1. A nonfederal sponsor for a Corps project can be a state or other governmental entity, interstate agency, chartered quasi-public organization (port authority, flood control district, or conservation district), Indian tribe, or nonprofit organization. Project sponsors' responsibilities are outlined in legal agreements with the federal government.



Basis of Estimate

For this estimate, CBO assumes that S. 3591 will be enacted near the beginning of fiscal year 2021, that the authorized and estimated amounts will be appropriated for each fiscal year, and that spending will follow historical patterns for similar projects and programs.

Direct Spending

Using information provided by the Corps and EPA, CBO estimates that enacting S. 3591 would increase direct spending by \$1.2 billion over the 2021-2030 period (see Table 2).

Table 2.
Changes in Direct Spending Under S. 3591

	By Fiscal Year, Millions of Dollars										2021-2025	2021-2030
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
Increases in Direct Spending												
Water Infrastructure Finance and Innovation Act												
Estimated Budget Authority	75	150	150	150	150	150	150	150	150	150	675	1,425
Estimated Outlays	2	12	35	66	97	124	143	150	150	150	212	929
Loss of Nonfederal Payments for Army Corps of Engineers Projects												
Estimated Budget Authority	57	57	57	16	16	16	16	16	16	16	204	286
Estimated Outlays	57	57	57	16	16	16	16	16	16	16	204	286
Other Corps Provisions												
Estimated Budget Authority	6	1	1	1	1	1	1	1	1	1	10	14
Estimated Outlays	6	1	1	1	1	1	1	1	1	1	10	14
Total												
Estimated Budget Authority	138	208	208	167	167	167	167	167	167	167	889	1,725
Estimated Outlays	65	70	93	83	115	141	160	167	167	167	426	1,228

Components may not sum to totals because of rounding.

Water Infrastructure Finance and Innovation Act. S. 3591 would limit the criteria used to determine the budgetary treatment of the anticipated net cost or savings of loans or loan guarantees made under EPA’s Water Infrastructure Finance and Innovation Act (WIFIA) program. Under the bill, any budgetary impacts would be recorded on an accrual basis if the



borrower is a nonfederal entity and would be repaying the obligation with nonfederal funds. This provision would allow the costs or savings for loans to federal projects that meet those two criteria to be recorded on an accrual basis. That budgetary treatment is not allowed for federal projects under current law.

General provisions of current law (often called the recording statute) require the federal budget to be presented on a cash basis—that is, the full cost of an activity is to be recorded at the time an obligation is made.² The Federal Credit Reform Act of 1990 (FCRA), however, generally requires the costs of direct loans and loan guarantees to nonfederal borrowers to be recorded on an accrual basis, and CBO estimates most such costs on the basis of the net present value of the cash flows from those loans or loan guarantees.

However, the status of a borrower as a nonfederal entity repaying a loan with nonfederal funds is not a sufficient basis for the loan or loan guarantee to receive FCRA treatment under current law.³ In directing this budgetary treatment under S. 3591, EPA could make loans and loan guarantees for federal projects or assets and record the costs on an accrual basis—which would be reflected in a subsidy cost—rather than on a cash basis, thus understating the initial funding required for those commitments.⁴

The subsidy costs of loans and loan guarantees for the WIFIA program are funded through annual appropriations. In directing a different budgetary treatment for certain WIFIA loans, the bill would cause future loans or loan guarantees to be recorded in the budget at a lower cost than is required under the recording statute, FCRA, and current practice. CBO believes that the difference between the costs on a cash basis and on an accrual basis should be recorded as an increase in direct spending.

Using information about projects whose sponsors have previously applied for WIFIA loans and the costs of current federal projects with nonfederal components, CBO estimates that implementing the provision would allow, on average, one federal project annually, with an average loan size of \$150 million, to receive a WIFIA loan, which would be recorded on an

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2. The principal difference between cash and accrual accounting concerns the time at which a commitment (or collection) of budgetary resources is recognized. Transactions in cash-based accounting are recorded at the time payments are made or receipts are collected. By contrast, accrual measures use a single number, the net present value, to express a flow of past and future income (or payments) in terms of an equivalent lump sum received (or paid) at a specific time. The present value depends on the rate of interest (the discount rate) that is used to translate future cash flows into current dollars. For a discussion, see Congressional Budget Office, *Cash and Accrual Measures in Federal Budgeting* (January 2018), www.cbo.gov/publication/53461.
 3. See Water Infrastructure Finance and Innovation Act Program (WIFIA) Criteria Pursuant to the Further Consolidated Appropriations Act, 2020, 85 Fed. Reg. 39189 (June 30, 2020), <https://go.usa.gov/xf6mn>.
 4. The subsidy cost is the estimated lifetime cost to the government, as measured by discounting all expected future cash flows associated with the loan or loan guarantee to a net present value.



accrual rather than cash basis.⁵ CBO also estimates that balances available for the subsidy costs of WIFIA loans and loan guarantees that could be used for projects covered under S. 3591 would be recorded on an accrual basis as well, increasing the upfront costs of those commitments by \$75 million. In total, CBO estimates, enacting that provision would increase direct spending by \$929 million over the 2021-2030 period.

Loss of Nonfederal Payments for Army Corps of Engineers Projects. S. 3591 would authorize the Corps, at the request of a project's nonfederal sponsor, to renegotiate the terms of deferred-payment agreements that meet certain criteria. The bill would allow the nonfederal sponsor to discontinue payments at the time of the request until the sponsor and the Corps reach new terms; the bill provides no limit on the length of those negotiations.

Although the Corps generally requires nonfederal sponsors to pay their share of a project's costs while construction proceeds, the agency is authorized to enter into deferred-payment agreements that allow a nonfederal sponsor to defer payment for its share of the costs until the project is completed. Under such agreements, sponsors would pay the nonfederal share of the project's costs and any interest accrued during construction, with interest, over a term of up to 30 years. In such instances, the Corps uses appropriated funds to pay 100 percent of a project's costs as they are incurred. For example, after Hurricane Katrina, the Corps entered deferred payment arrangements with nonfederal sponsors for projects to protect against storm surges and mitigate future risks of flooding.⁶

Under the bill, projects with deferred-payment agreements could be renegotiated if they started on or after September 8, 2005, and if construction was delayed by five years after the expected completion date established by agreement between the nonfederal sponsors and the Corps. At least three projects could be eligible for renegotiation in the next several years. Information from the Corps indicates that amounts outstanding for those projects total \$2 billion—\$1.4 billion for the nonfederal share of the projects' costs and \$0.6 billion in interest accrued during construction.

Under current law, annual payments for those projects total about \$114 million. For one possible outcome under the provision, CBO assumes that the Corps agrees to renegotiate,

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5. The Further Consolidated Appropriations Act, 2020, provided subsidy budget authority for the WIFIA loan program but required EPA to develop criteria to determine project eligibility and apply those criteria for projects selected in the 2020 cohort. CBO estimates that those criteria would effectively prohibit EPA from selecting projects for WIFIA loans that would receive accrual treatment under S. 3591 but cash treatment under current law. CBO expects those criteria to remain in place through fiscal year 2021. As a result, CBO estimates that the provision would have no effect on direct spending for funds provided in that fiscal year.
 6. Nearly 30 other Corps projects to mitigate similar damage in areas affected by hurricanes, including Sandy, Harvey, and Maria, are eligible for deferred-payment agreements under current law. Nonfederal sponsors of some of those projects could enter such agreements and could benefit from provisions under the bill. However, because those projects are expected to take many years to complete, and because the eligibility to renegotiate agreements under the bill requires a project to be delayed by at least five years, CBO expects that the budgetary effects of renegotiating those agreements would occur after 2030.



that the negotiations would take three years, and that the interest accrued during construction would be waived under the new agreements. The resulting annual payments under the new agreements for the principal balance alone would be \$82 million, CBO estimates, and would start in the fourth year after enactment. That outcome would reduce offsetting receipts, which are recorded in the budget as reductions in direct spending, by about \$570 million over 10 years. That total is derived from a reduction in offsetting receipts of \$342 million during the years of negotiations (\$114 million annually for three years) because payments would be suspended, and about \$32 million annually thereafter (the difference of \$114 million and the new payment of \$82 million).

A different outcome is possible under the deferred-payment provision, however, because explicit completion dates are not provided in the project partnership agreements. On that basis, the Corps could determine that no project would be eligible because a delay, as defined by the bill, could not be established and therefore the agency would not renegotiate any agreements and there would be no loss of receipts.

For this estimate, CBO assumes that those two outcomes are equally possible. After accounting for uncertainties about whether the negotiations would occur, how long they would take, and how much of the outstanding obligations would be waived, CBO estimates that enacting S. 3591 would decrease offsetting receipts, which are recorded as increases in direct spending, by \$286 million over the 2021-2030 period. That amount assumes that the two budgetary outcomes each have a probability of 50 percent: zero under an outcome in which no project would be eligible and \$570 million if all projects are eligible. After 2030, CBO estimates, additional decreases in offsetting receipts from those agreements would total about \$330 million.

Other Corps Provisions. CBO estimates that enacting other provisions of S. 3591 would decrease offsetting receipts by \$14 million (thus increasing direct spending) over the 2021-2030 period. The bill would direct 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; and reduce prices charged to low-income communities for water storage.

Revenues

The staff of the Joint Committee on Taxation (JCT) expects that some of the funds authorized to be appropriated under S. 3591 for grants to state revolving funds and for loans to eligible entities under the WIFIA program would be used by state and local governments to leverage additional funds. Those entities would issue tax-exempt bonds that JCT estimates would reduce federal revenues by \$100 million over the 2021-2030 period, as shown in Table 1. (Those amounts have been revised; see discussion under the heading “Previous CBO Estimates.”)



Spending Subject to Appropriation

S. 3591 would authorize the appropriation of \$18.3 billion over the 2021-2030 period. Assuming appropriation of that amount, CBO estimates that the bill would cost \$16.3 billion over the same period (see Table 3).

Table 3.
Estimated increases in Spending Subject to Appropriation Under S. 3591

	By Fiscal Year, Millions of Dollars										2021-2025	2021-2030
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
Increases in Spending Subject to Appropriation												
EPA Programs												
Estimated Authorization	602	3,179	2,837	3,323	65	4	2	1	1	1	10,007	10,016
Estimated Outlays	87	746	1,581	2,401	2,661	1,607	694	202	22	6	7,476	10,008
Army Corps of Engineers Water Resources Infrastructure												
Estimated Authorization	20	295	447	537	543	611	504	496	473	527	1,841	4,453
Estimated Outlays	4	64	167	280	363	435	466	467	451	449	878	3,146
Continuing Authorities and Other Programs												
Estimated Authorization	338	372	393	397	291	266	220	224	220	224	1,792	2,945
Estimated Outlays	100	204	266	295	294	279	239	216	205	199	1,159	2,297
Other Projects and Studies												
Estimated Authorization	212	161	130	122	82	29	30	25	61	62	706	914
Estimated Outlays	101	140	119	109	94	67	45	36	49	49	563	809
Total												
Estimated Authorization	1,172	4,008	3,807	4,379	982	911	757	746	755	814	14,347	18,329
Estimated Outlays	292	1,154	2,133	3,085	3,412	2,387	1,445	922	727	703	10,076	16,261

Components may not sum to totals because of rounding; EPA = Environmental Protection Agency.

Environmental Protection Agency Programs. S. 3591 would specifically authorize the appropriation of about \$10 billion over the 2021-2025 period to fund grant programs and administrative activities at EPA. Assuming appropriation of that amount plus amounts



needed for other required activities, CBO estimates that implementing the provisions would cost \$7.5 billion over the 2021-2025 period and about \$2.5 billion after 2025.

Grants. S. 3591 would authorize appropriations for 18 grant programs to fund a variety of clean-water infrastructure projects. The bill would extend or increase the authorizations for 6 existing grant programs and direct EPA to implement 12 new programs. In total, S. 3591 would authorize about \$9 billion in appropriations over the 2021-2025 period:

- \$7.5 billion for grants to states through the Clean Water State Revolving Fund program;
- \$1 billion for grants to states to support municipal stormwater projects, alternative water source projects, innovative stormwater control projects, and wastewater efficiency projects;
- \$455 million for grants to support research on preventing and reducing pollution; for nonprofit entities to provide technical assistance to publicly owned small, rural, or tribal water treatment works; for nonprofit entities and publicly owned treatment works to help connect certain households to publicly owned water treatment works; and for pilot programs in workforce training for the water treatment industry; and
- \$150 million for competitive grants for wastewater infrastructure projects.

Using information from EPA and historical information on spending for similar programs, CBO estimates that implementing those provisions would cost about \$6.6 billion over the 2021-2025 period and about \$2.4 billion after 2025.

Other Specified Authorizations. S. 3591 also would authorize appropriations for other EPA programs totaling \$948 million over the 2021-2025 period:

- \$625 million for programs to protect and restore the Great Lakes and Puget Sound;
- \$165 million for the subsidy costs of loans under EPA's WIFIA program; and
- \$158 million for program offices at Lake Tahoe and San Francisco, EPA's National Estuary Program, and to support responses to aquatic invasive species.

Using information from EPA and historical information on spending, CBO estimates that implementing those provisions would cost \$807 million over the 2021-2025 period and \$133 million after 2025.

Other Costs. In addition, EPA would incur administrative costs to establish and operate some of the programs authorized under S. 3591 because generally the agency is not authorized to cover those costs using grant funds. Using information from EPA about similar programs, CBO estimates that the agency would require about 20 additional employees, at a cost of \$180,000 each, to develop and administer the programs. CBO estimates that the total cost would be about \$16 million over the 2021-2025 period and \$6 million after 2025.



S. 3591 would require EPA to conduct various analyses and issue reports and to establish an interagency working group on water reuse. It also would expand the duties of EPA's municipal ombudsman. CBO estimates that implementing those provisions would cost \$5 million over the 2021-2025 period and \$4 million after 2025.

Army Corps of Engineers Water Resources Infrastructure. After accounting for anticipated inflation, CBO estimates that implementing provisions of the bill that would authorize the Corps to construct 29 new water infrastructure projects would cost about \$3.1 billion over the 2021-2030 period. Those provisions would authorize the Corps to construct projects aimed at restoring aquatic ecosystems, mitigating hurricane and storm damage, strengthening flood risk management, and improving the nation's navigation system.

Using information from the Corps, CBO estimates that the total cost to complete those projects would be \$7.9 billion; the federal share of those costs would total \$5.1 billion and nonfederal entities would be responsible for the remaining \$2.8 billion. About 60 percent of those amounts would be spent over the 2021-2030 period and the rest would be spent after 2030.

The estimated cost of four projects authorized by the bill total \$3.9 billion, which is 50 percent of the total for authorized projects:

- \$1.4 billion to mitigate flood risk in Norfolk, Virginia, by constructing storm surge barriers, oyster reefs, and other natural barriers to reduce beach erosion and provide protection from hurricanes;
- \$880 million to improve commercial navigation by widening and deepening portions of the Houston, Texas, ship channel;
- \$860 million to restore ecosystems in the Mississippi River Basin to control upstream transfer of Asian carp and other aquatic nuisance species into the Great Lakes and the Chicago Area Waterway System in Illinois; and
- \$740 million to restore freshwater ecosystems and wetlands within the Loxahatchee River Watershed in Florida to improve water supply and provide flood protection.

To estimate the pace of spending of funds authorized for those projects, CBO used information from the Corps about projects' starting dates and expected duration and the amounts necessary to complete projects within the anticipated schedules. CBO also analyzed the historical patterns of spending on similar projects. Because of their size and complexity, some large Corps projects can take several years to begin and more than a decade to complete. CBO estimates that the federal share of the projects authorized by this title would require appropriation of about \$4.5 billion over the 2021-2030 period; the remainder of the federal share would be needed after 2030.



Continuing Authorities and Other Programs. S. 3591 would authorize the appropriation of \$2.9 billion for the Corps to carry out continuing authorities and other programs. Under the Corps' continuing authorities, certain types of water resources projects can be implemented without explicit Congressional authorization if they are limited in cost, size, and scope. Some authorizations would be annual, some would be annual increases above existing authorization amounts, and some would be onetime authorizations to be spent over several years. CBO estimates that implementing those authorities and programs would cost about \$2.3 billion in total over the 2021-2030 period:

- \$1.3 billion (\$130 million annually) to study, construct, or enlarge water storage projects in rural communities with populations of less than 1 million;
- \$576 million for continuing authorities to construct projects for flood control; to improve navigation; to protect aquatic habitats, wetlands, and property from storm damage; to mitigate environmental damage from Corps projects; and to control shoreline erosion and restore beaches;
- \$435 million for programs to operate watercraft inspection stations between the United States and Canada and to form partnerships with local stakeholders to develop plans and implement projects to control and eradicate aquatic invasive species;
- \$225 million for nonfederal partners to conduct feasibility studies and construct projects, to mitigate risks from flood and storm surges, improve harbor and inland navigation, and restore ecosystems;
- \$190 million to construct surface-water protection projects in rural areas, to plan and construct projects to rehabilitate fish and wildlife habitat in the Rio Grande Basin, to construct restoration projects in the Chesapeake Bay region, and to extinguish flowage easements held by the Corps at Rough River Lake, Kentucky;
- \$150 million to rehabilitate flood control pumping stations that operate in conjunction with Corps projects and to construct projects to mitigate the risk of impairment to a federal lock or dam from sediment, rock formation, or shallow water; and
- \$70 million to complete reports authorized by the Congress and to conduct inspections for aging water infrastructure projects owned or operated by a federal agency.

Other Projects and Studies. S. 3591 would authorize feasibility studies, research projects and reports. The legislation also would extend the authority for the Bureau of Indian Affairs to maintain Indian irrigation projects and authorize the Corps to implement other projects. CBO estimates that implementing this set of provisions would cost about \$809 million over the 2021-2030 period:

- \$171 million to complete modification reports for environmental infrastructure projects and assist nonfederal partners to construct projects including those in Desoto and Jackson Counties in Mississippi and Madison and St. Claire Counties in Illinois and in South



Central Pennsylvania; Sacramento, California; and Lakes Marion and Moultrie, South Carolina;

- \$153 million for comprehensive studies on mitigating flood risks in the Upper and Lower Missouri River, mitigating risks from hurricanes and storms along the Mississippi River, assessing the effects on flooding and navigation of changing the form of the Lower Missouri River, and addressing shoreline protection and resiliency in the Great Lakes;
- \$135 million to repair an embankment in Waco, Texas; support water resources research; and maintain a high-risk dam on Lowell Creek in Seward, Alaska;
- \$133 million to develop strategies to control noxious weeds on federal land controlled by the Corps and to eliminate Asian carp in the Mississippi River; to construct projects in the Great Lakes and Lake Okeechobee, Florida; to eliminate harmful algal blooms; to provide technical assistance to improve water quality affected by abandoned mines; and to relocate access to a confined disposal facility in the Great Lakes region;
- \$121 million for more than 40 feasibility studies, reports, and evaluation of future projects and for plans to manage sediment, improve subsurface drainage systems, reallocate water supplies, and prevent the spread of aquatic invasive species;
- \$84 million to coordinate with the Appalachian Regional Commission on design and construction of projects for securing water supplies, treating wastewater, and developing surface water in central Appalachia;
- \$71 million to extend the authority of the Treasury to deposit \$35 million for each of the years 2029 and 2030 into the Indian Irrigation Fund and to authorize the appropriation of those amounts and interest credited to the fund for maintaining Indian irrigation projects owned and operated by the Bureau of Indian Affairs; and
- \$45 million to reauthorize the Denali Commission in Alaska to work with other federal agencies, Indian tribes, and state and local governments to support economic development and to maintain Alaska's infrastructure, such as energy, transportation, and health facilities.

Uncertainty

Although all of the estimated budgetary effects of this bill are subject to uncertainty, the estimates of two provisions are particularly uncertain.

Water Infrastructure Finance and Innovation Act. The number of loans and amount of those loans provided under WIFIA to support federal projects under S. 3591 could be higher or lower than CBO estimates. If no loans were awarded for such projects or if the loan amounts were lower than CBO estimates, the estimated costs to implement the provision would be lower or possibly zero. By contrast, if WIFIA loans were awarded for more federal projects or if the loan amounts were higher than CBO estimates, the costs of implementing the provision could be hundreds of millions of dollars above CBO's estimate.



Nonfederal Payments for Army Corps of Engineers Projects. Whether nonfederal sponsors would successfully renegotiate payment agreements under S. 3591, how much would be waived, and how long the negotiations would take is uncertain. If the Corps determines that no project agreements meet the eligibility criteria the estimated costs to implement the provision would be zero. If nonfederal sponsors successfully renegotiate those agreements, if the amount waived is higher or lower than assumed, or if it takes more or less than three years as assumed, the costs could be higher or lower than CBO’s estimate.

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. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in Table 4.

Table 4.
CBO’s Revised Estimate of the Statutory Pay-As-You-Go Effects of S. 3591, the America’s Water Infrastructure Act of 2020, as Reported by the Senate Committee on Environment and Public Works on May 11, 2020

	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 Effect	65	70	93	85	122	153	177	187	188	188	435	1,328
Memorandum:												
Changes in Outlays	65	70	93	83	115	141	160	167	167	167	426	1,228
Changes in Revenues	0	0	-1	-2	-7	-12	-17	-20	-21	-21	-9	-100

Components may not sum to totals because of rounding.

Increase in Long-Term Deficits:

CBO estimates that enacting S. 3591 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2031.

Mandates: None.

Previous CBO Estimates

On November 4, 2020, CBO published an estimate for S. 3591, as reported by the Senate Committee on Environment and Public Works on May 11, 2020. In that estimate, CBO and JCT based the estimate of revenue losses related to extensions of authorizations for the WIFIA program and the Clean Water State Revolving Fund program on the gross amount of funding authorized in the bill. However, in order to keep this estimate consistent with historical conventions, CBO and JCT revised the estimate of revenue losses based on the



difference between the most recent appropriation and the amounts that would be authorized in the bill for those programs.

Since October 2019, CBO has transmitted six cost estimates for legislation containing provisions that are similar to or identical to provisions in S. 3591. Other than the estimate for H.R. 7575, all were for bills reported by the House Committee on Transportation and Infrastructure. The dates and titles are as follows:

- On July 29, 2020, the statutory pay-as-you-go effects of [H.R. 7575](#), the Water Resources Development Act of 2020, as posted on the website of the Clerk of the House on July 28, 2020;
- On May 12, 2020, [H.R. 1497](#), the Water Quality Protection and Job Creation Act of 2019, as reported on October 29, 2019;
- On November 14, 2019, [H.R. 1132](#), the San Francisco Bay Restoration Act, as ordered reported on September 19, 2019;
- On November 14, 2019, [H.R. 2247](#), the PUGET SOS Act, as ordered reported on September 19, 2019;
- On October 2, 2019, [H.R. 4031](#), the Great Lakes Restoration Initiative Act of 2019, as ordered reported on September 20, 2019; and
- On October 2, 2019, [H.R. 4044](#), the Protect and Restore America’s Estuaries Act, as ordered reported on September 20, 2019.

The basis for those estimates and the estimates for S. 3591 are the same. Differences in estimated budgetary effects reflect differences among the bills’ provisions.



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