

CBO's Estimate of the Statutory Pay-As-You-Go Effects of H.R. 5118, the Wildfire Response and Drought Resiliency Act, as Posted by the House Committee on Rules on July 22, 2022

[BILLS-117HR5118RH-RCP117-57.pdf](#)

With the manager's amendment as adopted: [GRIJAL_119_xml220722141958525.pdf](#)

	By Fiscal Year, Millions of Dollars												2022-2027	2022-2032
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032			
	Increase in the Deficit													
Total Increase	0	4	15	25	32	40	39	55	31	21	13	116	275	
Minus Amounts Designated as an Emergency Requirement ^a	<u>0</u>	<u>4</u>	<u>12</u>	<u>22</u>	<u>29</u>	<u>37</u>	<u>37</u>	<u>36</u>	<u>29</u>	<u>20</u>	<u>12</u>	<u>104</u>	<u>238</u>	
Pay-As-You-Go Effects ^b	0	0	3	3	3	3	2	19	2	1	1	12	37	

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.

Estimates are relative to the May 2022 baseline.

- Sections 104 and 211 of division B would increase direct spending from budget authority originally designated as an emergency requirement under the Infrastructure Investment and Jobs Act. In keeping with section 4(g) of the Statutory Pay-As-You-Go Act of 2010, such amounts are excluded from estimates of that law's direct spending and revenue effects.
- Section 105 of division B would appropriate \$120 million annually to the Reclamation Water Settlement Fund beginning in 2033. For each 10-year period after 2032, that provision would increase direct spending from available amounts by \$1.2 billion plus any interest accrued on the fund's unspent balances.

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H.R. 5118 would authorize projects to mitigate the risks of drought and wildfires, including efforts to conserve, desalinate, and recycle water; protect ecosystems and communities; and improve and protect the electric grid.

Section 302 of division A would allow the Forest Service to spend interest earned on unspent collections from forfeitures, judgments, and settlements without further appropriation. CBO estimates that enacting that provision would increase direct spending by \$20 million over the 2022-2032 period.

Section 507 of division B would authorize appropriations to capitalize the Hualapai Water Trust Fund, an interest-bearing fund administered by the Department of the Interior. CBO expects that the parties to the Hualapai Tribe Water Rights Settlement would satisfy the requirements of the settlement agreement by the April 15, 2029, deadline and that the federal government would transfer ownership of the fund, including any credited interest, to the Hualapai Tribe at that time. CBO estimates that the transfer would increase direct spending by \$17 million over the 2022-2032 period for interest credited to the fund that would be available to spend without further appropriation. (Because appropriations to capitalize trust funds generally do not identify individual settlements, CBO charges the spending of any credited interest to the authorizing bill).

Division J of the Infrastructure Investment and Jobs Act appropriated amounts for grants to fund water conservation and recycling projects undertaken by nonfederal entities in states where the Bureau of Reclamation operates. Sections 104 and 211 of division B would modify those programs by reducing the nonfederal share of costs for Indian tribes experiencing financial hardship and by raising the ceiling on federal costs for water-recycling projects. CBO estimates that those provisions would increase direct spending by \$238 million over the 2022-2032 period. We also estimate an equivalent decrease in direct spending after 2032 because the amounts that would be spent for those programs under the bill would otherwise have been spent after 2032.

H.R. 5118 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) by requiring electric transmission providers to comply with revised planning requirements to be developed by the Federal Energy Regulatory Commission. CBO estimates that the cost to comply would not exceed the annual threshold for private-sector mandates established in UMRA (\$184 million in 2022, adjusted annually for inflation). The bill would not impose intergovernmental mandates as defined in UMRA.