



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 14, 1999

**S. 400
Native American Housing Assistance and Self-Determination Act
Amendments of 1999**

*As ordered reported by the Senate Committee on Indian Affairs
on June 16, 1999*

SUMMARY

S. 400 would amend certain provisions of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA). Most provisions concern participation and oversight requirements and enforcement of program rules. Many of those provisions have already been implemented under current regulations. The bill would also revise the allocation formula for the block grants authorized under NAHASDA.

Although enactment of S. 400 could have some impact on the federal cost of administering the programs authorized by NAHASDA, that impact is likely to be small. Therefore, CBO estimates that enactment of S. 400 would have no significant impact on the federal budget. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

All provisions of this bill are either excluded from consideration under the Unfunded Mandates Reform Act (UMRA) or contain no intergovernmental or private-sector mandates as defined in that act.

BASIS OF ESTIMATE

Several provisions in the bill are likely to affect the federal cost of administering the block grants authorized by NAHASDA, but the net impact is expected to be small. One provision that might decrease administrative costs incurred by the Department of Housing and Urban Development (HUD) is a change in HUD's review and audit requirements. Under current regulations, recipients who spend more than \$300,000 per year must comply with the Single Audit Act of 1984, which requires annual audits by independent auditors. In addition, under current law, HUD must review all recipients at least once a year to determine whether they are in compliance with program requirements. S. 400 would enact into law the regulation requiring audits under the Single Audit Act. In addition, S. 400 would provide HUD with the discretion to conduct reviews only if the agency deemed them appropriate. CBO expects that, as a result, HUD would probably not review all recipients every year, which would reduce the amount of staff time devoted to such activities.

Another potential savings would stem from a provision governing technical assistance. Under current law, tribes that are not in compliance with NAHASDA's provisions and that lack technical capacity may receive technical assistance from HUD for an indefinite period. S. 400 would typically limit such assistance to only one year.

Some additional costs might result from the bill's requirement that HUD conduct a hearing after it starts remedial actions in cases where grant recipients are found to expend federal funds in unauthorized ways. Under current regulations, such hearings are only held at the request of the affected recipients. The process leading up to such mandated hearings as well as their aftermath would consume extra staff time.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

Section 4 of the Unfunded Mandates Reform Act (UMRA) excludes from the application of that act any legislative provisions that require compliance with accounting and auditing procedures with respect to grants or other money or property provided by the federal government. CBO has determined that the amendments to section 405 of NAHASDA fall within that exclusion.

The other provisions of S. 400 contain no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state or local governments. In some cases, the budgets of individual tribes may either be increased or decreased by the bill,

depending upon changes in the allocation of housing funds, but total funding would not change.

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