CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 4, 1998

S. 1693

National Parks Omnibus Management Act of 1998

As ordered reported by the House Committee on Resources on July 29, 1998

SUMMARY

S. 1693 would reform various policies and practices of the National Park Service (NPS). The act also would extend and modify the agency's authority to collect and spend certain fees from park visitors, concessioners, and other users of park property. Finally, it would authorize appropriations of $2 million a year for carrying out studies of new areas as potential additions to the National Park System.

CBO estimates that enacting S. 1693 would result in additional net outlays from direct spending of $8 million in fiscal year 1999 and of $260 million over the 1999-2003 period. The act also would affect programs carried out with discretionary funds but would have no significant impact on the NPS's budget—except for the authorized funding of $2 million a year for studies of new areas—because most of the actions mandated by the legislation are already being carried out by the agency. Because S. 1693 would affect direct spending, pay-as-you-go procedures would apply. S. 1693 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State and local governments might incur some costs as a result of the legislation's enactment, but these costs would be voluntary.

DESCRIPTION OF MAJOR PROVISIONS

Several titles of S. 1693 would affect direct spending. These provisions include:

- Title IV, which would reform the concessions activities of the NPS in order to improve the financial benefits received by the park system. This title would repeal the existing law governing the use of concessions contracts by the NPS and would establish new contracting policies and practices that would enhance competition in the bidding process.

- Title V, which would extend through fiscal year 2005 the recreation fee demonstration program authorized by Public Law 104-134 (the Omnibus Consolidated Rescissions and Appropriations Act, 1996) and would eliminate the existing cap on the number of park units that may participate. The extension and expansion of the existing program would apply only to the NPS.

- Title VI, which would direct the NPS to create a new national park passport program. The new $50 annual passport, with an accompanying collectible stamp, would be nontransferable and could be sold on consignment, for an unspecified commission, by private vendors. This title also would direct the Secretary to make the Golden Eagle Passport (a similar form of annual admissions pass already sold under existing, permanent fee authority) available for sale outside the United States under the same terms as it is sold domestically.

- Title VIII, which would authorize the NPS to lease unneeded buildings and related property to any person or governmental entity.

For all of the above provisions, the act would direct the NPS to deposit all receipts (including franchise fees and recreation fees collected under existing, permanent authority) into special accounts in the U.S. Treasury. Upon deposit, all such amounts would become available to the NPS without further appropriation for various specified purposes.

S. 1693 also would make changes to activities of the NPS that are funded with discretionary appropriations. Title I would require the agency to establish a plan for management training and development and to develop a comprehensive training program for all of its professional employees. Title II would establish a specific research mandate for the NPS to ensure that Park Service managers benefit from high-quality science and information. The agency also would have to implement a program to inventory and monitor all park resources. Finally, Title III would codify recent administrative changes made to procedures governing the study of potential new park areas and would authorize the appropriation of an additional $2 million annually to conduct new studies.

Other provisions of S. 1693 would have little or no effect on the federal budget. Some of these provisions would grant the NPS statutory authority to execute cooperative agreements with state and local government agencies and to promote local fundraising support through the National Park Foundation.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO estimates that implementing S. 1693 would result in additional offsetting receipts of $76 million in fiscal year 2000 and of over $360 million through 2003. The NPS would be able to spend not only these new receipts but also those collected under current authority from recreation fees, concession franchise fees, and deposits in the concessions improvement accounts. As a result, direct spending would increase by about $8 million in 1999 and by over $620 million through 2003. The net effect of these changes would be additional direct spending of $8 million in 1999 and of $260 million through 2003. The estimated impact of these provisions is summarized in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that S. 1693 will be enacted by or near the start of fiscal year 1999. We also assume that the NPS would develop all of the necessary rules and procedures in 1999 so that it could implement the new, reformed, or extended fee programs beginning in 2000. Amounts earned from new fees would become available to the NPS for obligation in the year collected. Estimated outlays from the spending of fee receipts are based on historical spending patterns for these and similar programs. Information for this estimate was provided by the Office of Management and Budget, the Department of the Interior, and the NPS.

Direct Spending

Concessions fees. CBO expects that the reforms made by Title IV to the competitive bidding process would raise franchise fees paid to the government by concessioners, which under the legislation would be deposited to mandatory special funds rather than the U.S. Treasury as under current law). They would also raise, by similar amounts, deposits by concessioners into the bank accounts that they hold and use for park improvements, as required by many concession contracts. These special bank accounts—known as “improvement accounts”—are often maintained in lieu of paying franchise fees and are used for on-site improvements at the direction of the park superintendent.

	By Fiscal Year, in Millions of Dollars					
	1998	1999	2000	2001	2002	2003
DIRECT SPENDING						
Net Direct Spending Under Current Law: Receipts and Spending from NPS Recreation and Concessions Fees						
Estimated Budget Authority	-23	-23	-94	-97	-97	-100
Estimated Outlays	-71	-26	-14	-69	-97	-101
Proposed Changes:						
NPS Recreation and Concessions Fees						
Estimated Budget Authority	0	0	-76	-86	-97	-104
Estimated Outlays	0	0	-76	-86	-97	-104
NPS Spending of Fees						
Estimated Budget Authority	0	15	170	183	194	204
Estimated Outlays	0	8	90	144	185	196
Net Change						
Estimated Budget Authority	0	15	94	97	97	100
Estimated Outlays	0	8	14	58	88	92
Net Direct Spending Under S. 1693: Receipts and Spending from NPS Recreation and Concessions Fees						
Estimated Budget Authority	-23	-8	0	0	0	0
Estimated Outlays	-71	-18	0	-11	-9	-9
CHANGES IN SPENDING SUBJECT TO APPROPRIATION [a]						
Authorization Level	0	2	2	2	2	2
Estimated Outlays	0	2	2	2	2	2

a. Amounts shown for proposed changes to discretionary spending represent the additional $2 million authorized for studies of new park areas; $1 million was appropriated for that purpose in 1998. No other amounts are included in the table for changes in programs funded with appropriations because CBO expects that such changes would occur even in the absence of this legislation.

CBO estimates that franchise fees and deposits to improvement accounts would increase in total by about $4 million in fiscal year 2000 and by about $38 million through 2003. Spending of the new franchise fees and improvement account deposits would increase by similar amounts, but more slowly. Because the new receipts and resulting new spending would offset each other in the long run, the provisions of Title IV intended to increase returns to the federal government would have no net effect on the federal budget over time, although they would provide additional resources to the NPS. Because this title also would allow the NPS to spend without further appropriation any franchise fees that are earned under existing law, it would cause a net increase in direct spending of $8 million in 1999 and of nearly $50 million through 2003.

Recreation fees. Title V would extend through fiscal year 2005 the NPS's recreation fee demonstration program, which was authorized in Public Law 104-134. That program (as amended by subsequent laws) allows the NPS, among other land management agencies, to establish recreation fees beyond those allowed by the Land and Water Conservation Fund Act (LWCFA) for up to 100 demonstration areas. Under the demonstration program, the NPS is allowed to spend without further appropriation all receipts earned at a demonstration area. (Park units that are not part of the demonstration program may keep only 15 percent of their receipts, as allowed under the LWCFA.) Once this temporary authority expires at the end of fiscal year 1999, most receipts collected by the NPS pursuant to that authority will fall to levels consistent with the permanent fee-collection authority provided in the LWCFA (about $94 million in 2000, compared to an estimated $146 million for 1999 under the demonstration program). Direct spending authority will also fall—to 15 percent of total fee receipts, or $14 million in 2000.

CBO estimates that extending the demonstration program would raise receipts from recreation fees to about $3 million a year more than the 1999 level because all park units would be able to participate. When new collections from the national passport program authorized under Title VI are added, the total estimated effect on offsetting receipts from the extended and expanded authority provided by S. 1693 is an increase of $72 million in 2000 and of nearly $325 million through 2003. (The additional receipts from the passport program—which does not expire—are primarily the result of one provision of Title VI that clarifies that the NPS may sell the new passports on consignment through private vendors.)

Because S. 1693 would allow the NPS to spend all new fees generated by the demonstration program and the passport program, as well as receipts earned under other, existing authority, new direct spending would be much higher than new receipts. We estimate that outlays would increase by $76 million in 2000 and by $535 million over the 2000-2003 period. The net budgetary effect of the changes in offsetting receipts and new spending from recreation fees would be additional outlays of $4 million in 2000 and $212 million through 2003.

Other NPS fees. S. 1693 also would allow the NPS to lease space in agency buildings to persons or governmental agencies. The additional rental income would be available to the agency without further appropriation. CBO estimates that any increase in rental income to the agency would be small. Moreover, the spending of this income would offset the additional receipts over time, resulting in no net impact on the federal budget.

Spending Subject to Appropriation

Title III of S. 1693 would authorize appropriations of $2 million annually for conducting studies of potential new park areas (in addition to the existing authorization of appropriations for that purpose of $1 million a year). Other provisions of the act also could affect NPS programs that are carried out with discretionary funds. For the most part, however, CBO believes that the NPS already has the authority and the intention to carry out the act's mandates for these programs even in the absence of new legislation, assuming appropriation of the necessary amounts**.** As a result, we have not included any of the costs of performing the mandated duties in the estimate table. In most cases, the NPS has developed plans to carry out the activities required by this legislation but has yet to receive the necessary appropriations. For example, most of the planning and development necessary to implement the training mandates of Title I has already been completed, and the plans would probably require little revision to incorporate any new or revised procedures specified in the legislation. Full implementation of these training plans (under S. 1693 or under Administration initiatives) would cost the NPS about $18 million annually, assuming appropriation of the necessary amounts. Similarly, Title II would require the NPS to implement a program for inventorying and monitoring the agency's resources. Based on information provided by the NPS, we estimate that the agency will perform the requirements of this title under existing authority, assuming appropriation of the $160 million needed for that purpose over the next 10 years.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	0	8	14	58	88	92	94	97	89	41	7
Changes in receipts	Not applicable										

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 1693 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The legislation would authorize the National Park Service to enter into agreements with state or local government agencies to provide for the cooperative management of adjacent federal and state park areas. Any state or local expenditures under such agreements would be voluntary on the part of those governments.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This legislation contains no new private-sector mandates as defined in UMRA.

PREVIOUS CBO ESTIMATE

On June 23, 1998, CBO transmitted a cost estimate for S. 1693, as passed by the Senate on June 11, 1998. That previous estimate showed lower net direct spending than the estimate for the House version of S. 1693 because the Senate version would not allow the NPS to spend concession franchise fees that are collected under existing authority.

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