



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

August 30, 2012

**H.R. 5544**  
**Minnesota Education Investment and Employment Act**  
*As ordered reported by the House Committee on Natural Resources on August 1, 2012*

**SUMMARY**

H.R. 5544 would require the Secretary of Agriculture to exchange unspecified national forest lands for 86,000 acres of land owned by the state of Minnesota, located within the federal Boundary Waters Canoe Area Wilderness (BWCAW). Based on information provided by the Forest Service, CBO estimates that enacting the legislation would increase direct spending by \$6 million over the 2014-2022 period; therefore, pay-as-you-go procedures apply. Enacting H.R. 5544 would not affect revenues.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The state of Minnesota would benefit from the land exchange authorized in the bill. Any costs to the state would be incurred voluntarily.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 5544 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars										2013-	2013-
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017	2022
<b>CHANGES IN DIRECT SPENDING</b>												
Estimated Budget Authority	0	*	*	1	1	1	1	1	1	1	2	6
Estimated Outlays	0	*	*	1	1	1	1	1	1	1	2	6

Notes: Amounts may not sum to totals because of rounding.

\* = less than \$500,000.

**BASIS OF ESTIMATE**

For this estimate, CBO assumes that the legislation will be enacted late in 2012.

H.R. 5544 would require the Secretary of Agriculture to complete a land exchange that would increase the amount of federally owned land within the BWCAW. Under the Thye-Blatnick Act, the Forest Service makes annual payments to three counties in Minnesota that encompass portions of the BWCAW. Those payments are calculated as a percentage of the appraised value of federally owned lands within the BWCAW. In 2012, the Forest Service owned 600,000 acres of land within the BWCAW and paid the affected counties \$6 million. Based on information provided by the Forest Service, CBO expects that, under the bill, the amount of federally owned land within the BWCAW would increase by 86,000 acres (about 15 percent) over the 2013-2016 period, and we estimate that payments to the affected counties would increase by a total of \$6 million over the 2014-2022 period.

In addition, CBO expects that the Forest Service would convey lands within the Superior National Forest, which are located outside the BWCAW, to the state of Minnesota to complete the land exchange required under the bill. Because those lands could generate offsetting receipts (a credit against direct spending) from timber sales or other activities over the next 10 years, enacting the bill could reduce offsetting receipts. However, CBO estimates that any loss of receipts would probably not exceed \$500,000 in any year.

**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 H.R. 5544 would increase direct spending by \$6 million over the 2014-2022 period. Enacting H.R. 5544 would not affect revenues.

---

**CBO Estimate of Pay-As-You-Go Effects for H.R. 5544 as ordered reported by the House Committee on Natural Resources on August 1, 2012**

---

	By Fiscal Year, in Millions of Dollars												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012-2017	2012-2022
<b>NET INCREASE IN THE DEFICIT</b>													
Statutory Pay-As-You-Go Impact	0	0	0	0	1	1	1	1	1	1	1	2	6

---

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 5544 contains no intergovernmental or private-sector mandates as defined in UMRA. The state of Minnesota would benefit from the land exchange authorized in the bill. Any costs to the state would be incurred voluntarily.

### **ESTIMATE PREPARED BY:**

Federal Costs: Jeff LaFave

Impact on State, Local, and Tribal Governments: Melissa Merrell

Impact on the Private Sector: Amy Petz

### **ESTIMATE APPROVED BY:**

Peter H. Fontaine

Assistant Director for Budget Analysis