



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

May 15, 2008

**H.R. 65  
Lumbee Recognition Act**

*As ordered reported by the Senate Committee on Indian Affairs on April 24, 2008*

**SUMMARY**

H.R. 65 would provide federal recognition to the Lumbee Tribe of North Carolina, thereby making that tribe eligible to receive funding from various federal programs. CBO estimates that implementing this legislation would cost \$768 million over the 2009-2013 period, assuming appropriation of the necessary funds. Enacting H.R. 65 would not affect direct spending or revenues.

H.R. 65 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no direct costs on state, local, or tribal governments.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 65 is shown in the following table. The costs of this legislation fall within budget functions 450 (community and regional development) and 550 (health).

	By Fiscal Year, in Millions of Dollars				
	2009	2010	2011	2012	2013
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>					
Bureau of Indian Affairs					
Estimated Authorization Level	24	24	25	25	26
Estimated Outlays	17	23	24	24	25
Indian Health Service					
Estimated Authorization Level	124	128	133	139	144
Estimated Outlays	112	128	133	138	144
Total Changes					
Estimated Authorization Level	148	152	158	164	170
Estimated Outlays	129	151	157	162	169

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that H.R. 65 will be enacted near the start of fiscal year 2009. H.R. 65 would provide federal recognition to the Lumbee Tribe of North Carolina. Such recognition would allow the Lumbee, with a membership of about 54,000 people, to receive funding from various programs administered by the Bureau of Indian Affairs (BIA) and the Indian Health Service (IHS). Based on the average expenditures for other Indian tribes, CBO estimates that implementing H.R. 65 would cost \$768 million over the 2009-2013 period, assuming appropriation of the necessary funds.

### **Bureau of Indian Affairs**

BIA provides funding to federally recognized Indian tribes for various purposes, including child welfare services, adult care, community development, and general assistance. A portion of this funding (classified in the BIA budget as Tribal Priority Allocations), is awarded solely on the basis of population. Based on information from BIA, CBO expects that the Lumbee Tribe would receive approximately \$6 million per year in such funding, assuming a service population of 39,700 members. (The service population reflects those members living in the tribe's designated service area, where BIA services are generally provided.) In addition to the tribal priority allocation, the Lumbee would likely receive additional BIA funding based on other needs and characteristics of the tribe.

In total, CBO estimates that providing BIA services would cost \$113 million over the 2009-2013 period, assuming appropriation of the necessary funds. This estimate is based on expenditures for other federally recognized tribes located in the eastern United States; the Lumbee Tribe may qualify for more or fewer services than other tribes in the region.

### **Indian Health Service**

H.R. 65 also would make members of the Lumbee Tribe eligible to receive health benefits from the IHS. Based on information from the IHS, CBO estimates that about 56 percent of tribal members—or about 31,000 people—would receive benefits each year. CBO assumes that the cost to serve those individuals would be similar to funding for current beneficiaries—about \$4,000 per individual in 2008. Assuming appropriation of the necessary funds, CBO estimates that IHS benefits for the Lumbee Tribe would cost \$655 million over the 2009-2013 period.

### **Other Federal Agencies**

In addition to BIA and IHS funding, certain Indian tribes also receive support from other federal programs within the Departments of Education, Housing and Urban Development, Labor, and Agriculture. Based on their status as a tribe currently recognized by the state of North Carolina, the Lumbee are already eligible to receive funding from those sources. Thus, CBO estimates that implementing H.R. 65 would not add to the cost of those programs.

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

H.R. 65 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no direct costs on state, local, or tribal governments.

## **PREVIOUS CBO ESTIMATE**

On May 2, 2007, CBO transmitted a cost estimate for H.R. 65 as ordered reported by the House Committee on Natural Resources on April 25, 2007. The two versions of the legislation are nearly identical. Our estimate of spending under the Senate version is greater because it takes into account updated information on the likely cost of providing IHS services to the Lumbee. Specifically, this estimate assumes that the IHS would serve 9,000 additional people and reflects an estimated 30 percent increase in average costs per beneficiary. Other differences in our estimates reflect a change in when we assume H.R. 65 will be enacted.

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