



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

October 2, 2000

S. 1936

Bend Pine Nursery Land Conveyance Act

As ordered reported by the House Committee on Resources on September 20, 2000

SUMMARY

CBO estimates that implementing S. 1936 would reduce direct spending by \$2 million in 2002 and increase it by the same amount in 2003. Because the legislation would affect direct spending (including offsetting receipts), pay-as-you-go procedures would apply. S. 1936 also would result in a savings of \$1 million a year in discretionary spending starting in 2004. S. 1936 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any expenditures by state or local governments to purchase forest system land, as authorized by this legislation, would be voluntary.

S. 1936 would authorize the Secretary of Agriculture to sell or exchange certain lands and facilities located on several national forests in Oregon. S. 1936 would authorize the Secretary to spend, without further appropriation, proceeds from the sale of these properties to construct a new administrative facility and a new bunkhouse. If receipts are insufficient to cover the costs of constructing the new facilities, S. 1936 would authorize the appropriation of sums necessary to complete the projects.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

For this estimate, we assume that S. 1936 will be enacted early in fiscal year 2001. The estimated budgetary impact of S. 1936 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				
	2001	2002	2003	2004	2005
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	0	0	0	-1	-1
Estimated Outlays	0	0	0	-1	-1
CHANGES IN DIRECT SPENDING					
Estimated Budget Authority	0	0	0	0	0
Estimated Outlays					
Receipts from land sales	0	-3	-2	0	0
Spending of sales receipts	<u>0</u>	<u>1</u>	<u>4</u>	<u>0</u>	<u>0</u>
Net Change in outlays	0	-2	2	0	0

BASIS OF ESTIMATE

Based on information from the Forest Service, CBO estimates that S. 1936 would increase both offsetting receipts and direct spending by as much as \$5 million over the 2002-2003 period. We also estimate that implementing the legislation would yield discretionary savings of \$1 million a year starting in 2004.

Direct Spending

S. 1936 would authorize the Secretary of Agriculture sell certain parcels of land in the Deschutes National Forest in Oregon. According to the Forest Service, the parcels to be sold currently generate no significant receipts, and the agency does not expect them to generate significant receipts over the next 10 years. Based on information from the Forest Service about the estimated value of the parcels, we estimate that selling them would increase offsetting receipts by \$3 million in 2002 and \$2 million in 2003.

The legislation would authorize the Secretary to retain and spend, without further appropriation, any proceeds generated from the sale of those properties to construct a new administrative facility and a new bunkhouse. Based on information from the Forest Service, we estimate that constructing the new buildings would cost \$1 million in 2002 and \$4 million in 2003.

Spending Subject to Appropriation

Implementing S. 1936 also would affect discretionary spending. Under current law, the Forest Service spends about \$1 million each year to rent the administrative site currently used for the Deschutes National Forest. Assuming that increased receipts are sufficient to cover the costs of constructing the new administrative facility authorized by S. 1936 and that the facility is completed by the end of fiscal year 2003, implementing this legislation could reduce the need for future appropriations and reduce discretionary spending by \$1 million annually starting in 2004.

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. Because enacting S. 1936 would increase both offsetting receipts and direct spending, pay-as-you-go procedures would apply. 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 budget year and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	0	-2	2	0	0	0	0	0	0	0
Changes in receipts					Not applicable					

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1936 contains no intergovernmental or private-sector mandates as defined in UMRA. Any expenditures by state or local governments to purchase forest system land, as authorized by this legislation, would be voluntary.

PREVIOUS CBO ESTIMATE

On March 30, 2000, CBO transmitted a cost estimate for S. 1936 as ordered reported by the Senate Committee on Energy and Natural Resources on February 23, 2000. The Senate

version of this legislation would authorize the Forest Service to sell an additional parcel of land, and our estimate of the increase in offsetting receipts and direct spending that would result under that version is \$1 million higher.

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