



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 17, 2003

S. 281

Indian Tribal Surface Transportation Improvement Act of 2003

As ordered reported by the Senate Committee on Indian Affairs on June 26, 2003

SUMMARY

The Department of Transportation (DOT) provides grants to tribal governments for improving roads and bridges that serve Indian lands. S. 281 would extend the authority to conduct those programs for the next six years. The bill also would establish three new grant programs for creating transit programs on Indian lands, improving the safety of roads on Indian lands, and preparing Native Americans to drive commercial vehicles.

For the road and bridge programs, S. 281 would provide \$2.7 billion in contract authority, the authority to incur obligations in advance of appropriations, over the 2004-2009 period. That funding would represent an increase of \$1.05 billion above the contract authority assumed for those programs over that period in CBO's baseline. S. 281 would provide another \$138 million in contract authority over the 2004-2009 period for the new transit and safety programs. CBO expects, however, that spending for all four programs would be controlled by limits on annual obligations set in appropriation acts. S. 281 would authorize the appropriation of \$30 million in regular budget authority over the 2004-2009 period for the training program.

Assuming appropriation action consistent with the obligation and authorization levels specified in S. 281, CBO estimates that implementing the bill would result in discretionary outlays of \$791 million over the 2004-2008 period and \$427 million after 2008. Enacting S. 281 would not affect outlays from direct spending or revenues.

S. 281 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. Any costs to tribal organizations to participate in the demonstration project and grant programs would be incurred voluntarily.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 281 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars						
	2003	2004	2005	2006	2007	2008	2009
SPENDING SUBJECT TO APPROPRIATION							
DOT Spending Under Current Law for Indian Roads and Bridges							
Budget Authority	0	0	0	0	0	0	0
Estimated Outlays ^a	241	268	275	275	275	275	275
Proposed Changes							
Authorization Level	0	5	5	5	5	5	5
Estimated Outlays	0	50	106	154	214	267	319
Spending Under S. 281 for Indian Roads and Bridges and New Programs							
Authorization Level	0	5	5	5	5	5	5
Estimated Outlays ^a	241	318	381	429	489	542	594
DIRECT SPENDING							
Baseline Spending for Indian Roads and Bridges							
Budget Authority ^b	275	275	275	275	275	275	275
Estimated Outlays	0	0	0	0	0	0	0
Proposed Changes							
Budget Authority	0	91	91	189	189	314	314
Estimated Outlays	0	0	0	0	0	0	0
Spending Under S. 281 for Indian Roads and Bridges and New Programs							
Budget Authority ^b	275	366	366	464	464	589	589
Estimated Outlays	0	0	0	0	0	0	0

a. Estimated outlays under current law are from the obligation limitations for the Department of Transportation's Indian road and bridge programs, as assumed to continue in CBO's baseline.

b. Budget authority for the Indian road and bridge programs is provided as contract authority, a mandatory form of budget authority; however, outlays from those programs are subject to obligation limitations contained in appropriation acts and are therefore discretionary. S. 281 would provide contract authority for two new programs for improving the safety of roads and creating transit programs on Indian lands. CBO expects this contract authority also would be subject to obligation limitations in appropriation acts.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 281 will be enacted in fiscal year 2003. Estimates of outlays are based on historical spending patterns of the Indian road and bridge programs as well as information from the Federal Highway Administration.

Indian Road and Bridge Programs

S. 281 would provide \$2.7 billion in contract authority over the 2004-2009 period for DOT's Indian road and bridge programs. Consistent with section 257 of the Balanced Budget and Emergency Deficit Control Act, which specifies that certain expiring programs should be assumed to continue for budget projection purposes, CBO's baseline projections assume that contract authority for those programs will total \$1.65 billion over the 2004-2009 period. Thus, S. 281 would provide \$1.05 billion in contract authority above the baseline levels over the 2004-2009 period.

Under current law, DOT administers the Indian road and bridge programs as part of the Federal-Aid Highways program, and spending on the two programs is controlled by annual limitations on Federal-Aid obligations set in appropriation acts. Those limitations are often less than the total amount of contract authority for the programs. For this reason, the federal government has obligated an average of 88 percent of the contract authority for the road and bridge programs each year over the 1998-2002 period. S. 281 would change how the Federal-Aid obligation limitation is applied so as to provide those programs with obligation authority equal to 100 percent of the contract authority provided each year.

CBO estimates that spending from the increase in contract authority for Indian road and bridge programs would total \$665 million over the 2004-2008 period and \$385 million after 2008.

Transit and Safety Programs

Over the 2004-2009 period, S. 281 would provide \$48 million in contract authority for the new transit program and another \$90 million in contract authority for the new safety program.

CBO expects the contract authority for the transit and safety programs would be subject to obligation limitations in appropriation acts. S. 281 would authorize the new transit program by amending section 5311 of the United States Code. Recent appropriation acts include obligation limitations that control spending under this section of the code, and CBO expects

that such limitations would continue to apply to the entire section, including the new transit program. Recent appropriation acts also include obligation limitations for every highway safety program that receives contract authority, and CBO expects this policy would continue for the new safety program that S. 281 would authorize.

Assuming appropriation acts provide obligation authority equal to the levels of contract authority that S. 281 would provide for the new transit and safety programs, CBO estimates that implementing these programs would cost \$104 million over the 2004-2008 period and another \$34 million after 2008.

Training Program

For the training program, S. 281 would authorize the appropriation of \$5 million for each year over the 2004-2009 period. Assuming appropriation of the authorized amounts, CBO estimates that implementing the new training program would cost \$22 million over the 2004-2008 period and another \$8 million after 2008.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 281 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Any costs to tribal organizations to participate in the demonstration project and grant programs would be incurred voluntarily.

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