



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 6, 2005

**H.R. 517
Secure Rural Schools and Community Self-Determination
Reauthorization Act of 2005**

As ordered reported by the House Committee on Resources on May 18, 2005

SUMMARY

Under the Secure Rural Schools and Community Self-Determination Act, the federal government makes payments to states and counties that received a portion of the receipts from the sale of resources, particularly timber, on certain federal lands during fiscal years 1986 through 1999. Under current law, the government's authority to make those payments will expire after fiscal year 2007. H.R. 517 would extend that authority for an additional seven years.

CBO estimates that enacting H.R. 517 would increase direct spending by \$3.2 billion over the 2008-2014 period. The bill would not affect revenues. H.R. 517 contains no inter-governmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 517 is shown in the following table. The costs of this legislation fall within budget functions 800 (general government) and 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
DIRECT SPENDING										
Spending Under Current Law ^a										
Estimated Budget Authority	520	526	90	85	88	89	92	94	97	98
Estimated Outlays	520	526	90	85	88	89	92	94	97	98
Proposed Changes										
Estimated Budget Authority	0	0	443	454	458	464	468	473	477	0
Estimated Outlays	0	0	443	454	458	464	468	473	477	0
Spending Under H.R. 517										
Estimated Budget Authority	520	526	533	539	546	553	560	567	574	98
Estimated Outlays	520	526	533	539	546	553	560	567	574	98

a. The amounts shown for spending under current law include estimated payments to states and counties under the Secure Rural Schools and Community Self-Determination Act's existing activity through 2007, as well as additional receipt-sharing payments for the sale of resources on federal land.

BASIS OF ESTIMATE

Offsetting receipts generated from the sale of resources on federal land are shared with states and counties based on formulas specific to the type of resources and land involved. H.R. 517 would affect payments to states and counties to share receipts from three types of federal land managed by the Forest Service or Bureau of Land Management: National Forest System (NFS) lands, Oregon and California Railroad grant lands, and Coos Bay Wagon Road (CBWR) grant lands.

Eligible states and counties receive 25 percent of the receipts from the sale of resources on NFS land and 50 percent of receipts generated from Oregon and California grant lands and CBWR grant lands. Under the Secure Rural Schools and Community Self-Determination Act, however, a different payment process is in effect for certain counties. Under that act, instead of receiving payments based on current levels of receipts, eligible counties can choose to have payments based on historical levels over the 1986-1999 period.

Under current law, the federal government's authority to make payments based on historical levels of receipts will expire after fiscal year 2007. H.R. 517 would extend that authority for an additional seven years. Based on recent payments to affected states and counties and considering anticipated inflation, CBO estimates that enacting H.R. 517 would increase direct spending by \$3.2 billion over the 2008-2014 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 517 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Enacting this bill would benefit the states and counties that would receive the authorized payments. Any additional costs incurred by those counties to comply with the bill's new reporting requirements would be incurred voluntarily.

ESTIMATE PREPARED BY:

Federal Costs: Megan Carroll

Impact on State, Local, and Tribal Governments: Marjorie Miller

Impact on the Private Sector: Craig Cammarata

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis