



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 28, 2006

S. 3648
Pueblo of Isleta Settlement and Natural Resources
Restoration Act of 2006

As ordered reported by the Senate Committee on Indian Affairs on September 14, 2006

SUMMARY

S. 3648 would establish a trust fund within the U.S. Treasury for the benefit of the Pueblo of Isleta Tribe as part of a settlement of certain claims against the United States under current law. CBO estimates that enacting S. 3648 would have no net effect on direct spending during the 2007-2016 period. In addition, CBO estimates that implementing S. 3648 would result in discretionary outlays of \$7 million in 2007, assuming appropriation of the necessary amounts. Enacting the bill would not affect revenues.

S. 3648 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would benefit the Pueblo of Isleta.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 3648 is shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars				
	2007	2008	2009	2010	2011
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	7	0	0	0	0
Estimated Outlays	7	0	0	0	0

BASIS OF ESTIMATE

CBO estimates that enacting S. 3648 would have no net effect on direct spending in 2007 and would increase discretionary outlays by \$7 million in that same year. For this estimate, CBO assumes that S. 3648 will be enacted in fiscal year 2007 and that the authorized amount will be appropriated in that year.

In June 2006, the Pueblo of Isleta Indian Tribe reached an agreement with the Departments of Justice and the Interior to settle claims filed in the U.S. Court of Federal Claims, alleging damages related to the loss and mismanagement of land by the federal government. S. 3648 would codify this agreement.

S. 3648 would establish the Pueblo of Isleta Natural Resources Restoration Fund (Restoration Fund) within the U.S. Treasury. Within 90 days of enactment of S. 3648, both parties would agree upon a final judgment to be filed in court; at that point, approximately \$33 million would be transferred into the fund from the federal government's permanent appropriations for settlements and judgments (known as the Judgment Fund). The tribe would be authorized to withdraw part or all of the balance of the new Restoration Fund at any time with approval of the Secretary of the Interior. Consistent with the treatment of similar tribal trust funds, CBO estimates that the fund would be considered the Pueblo's property when the fund is established, and subsequent withdrawals would have no effect on the budget.

The federal budget excludes trust funds that are held and managed in a fiduciary capacity by the federal government on behalf of Indian tribes. Thus, the transfer of \$33 million to the Restoration Fund would be considered direct spending for a transfer of funds to a nonfederal entity. However, CBO expects that cost would be equivalent to the likely payment to tribal members in the absence this legislation. In other words, CBO expects that the tribe would receive about \$33 million in 2007 either under current law or under S. 3648.

Under terms of the settlement agreement, if legislation similar to S. 3648 is not enacted by the final adjournment of the 109th Congress, the tribe will have the option of receiving an equivalent sum of money (as would be transferred to the Restoration Fund under S. 3648), or continuing litigation. Information from tribal leadership suggests that the tribe would likely choose to accept the settlement. As such, CBO estimates a current federal expenditure from the Judgment Fund of \$33 million in 2007. S. 3648 would eliminate this future obligation. Thus, CBO estimates that enacting S. 3648 would have no net effect on direct spending.

S. 3648 also would authorize the appropriation of approximately \$7 million to be transferred to the Restoration Fund for activities agreed to by the tribe and the federal government. CBO estimates that these activities would increase discretionary outlays by \$7 million in 2007, assuming the appropriation of the necessary amounts.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 3648 contains no intergovernmental or private-sector mandates as defined in UMRA. Enacting the bill would benefit the Pueblo of Isleta because it is a necessary step towards implementing the settlement agreement between the Pueblo and the United States. Any costs of duties that the bill might impose on the Pueblo would be those it has assumed voluntarily as a party to the agreement. The legislation would impose no other significant costs on any state, local, or tribal government.

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