



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 2, 2007

### **H.R. 65**

### **Lumbee Recognition Act**

*As ordered reported by the House Committee on Natural Resources on April 25, 2007*

#### **SUMMARY**

H.R. 65 would provide federal recognition to the Lumbee Tribe of North Carolina. CBO estimates that implementing this legislation would cost the federal government \$80 million in fiscal year 2008 and about \$480 million over the 2008-2012 period, assuming the appropriation of the necessary funds. Enacting H.R. 65 would have no effect on 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).

#### **BASIS OF ESTIMATE**

H.R. 65 would provide federal recognition to the Lumbee Tribe of North Carolina. Such recognition would allow the Lumbee 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 of other Indian tribes, CBO estimates that implementing H.R. 65 would cost about \$480 million over the 2008-2012 period. Such costs would be subject to appropriation of the necessary funds.

	By Fiscal Year, in Millions of Dollars				
	2008	2009	2010	2011	2012
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>					
Bureau of Indian Affairs					
Estimated Authorization Level	22	23	23	24	24
Estimated Outlays	16	21	22	23	23
Indian Health Service					
Estimated Authorization Level	71	73	76	79	82
Estimated Outlays	64	73	76	79	82
Total Changes					
Estimated Authorization Level	93	96	99	103	106
Estimated Outlays	80	94	98	102	105

### **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, based on an estimated service population of 39,700 members. The Lumbee may also receive additional BIA funding based on other needs and characteristics of the tribe.

Assuming the appropriation of the necessary funds, CBO estimates that implementing H.R. 65 would cost BIA approximately \$16 million in 2008 and \$105 million over the 2008-2012 period. 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, thus, the cost to implement this bill is uncertain.

### **Indian Health Service**

H.R. 65 also would make members of the Lumbee Tribe eligible to receive health benefits from IHS. Based on information from IHS, CBO estimates that about 55 percent of tribal members—or about 22,000 people—would receive benefits each year. CBO assumes that the cost to serve those individuals would be similar to funding for current

beneficiaries—about \$3,200 per individual in 2008. Assuming appropriation of the necessary funds, CBO estimates that IHS benefits for the Lumbee Tribe would cost \$64 million in 2008 and \$374 million over the 2008-2012 period.

### **Other Federal Agencies**

In addition to BIA and IHS, certain Indian tribes also receive funding from other federal programs within the Departments of Education, Housing and Urban Development, Labor, and Agriculture. Based on their status as a state-recognized tribe, the Lumbee are currently 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.

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