



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

October 12, 2011

**S. 1218  
Lumbee Recognition Act**

*As ordered reported by the Senate Committee on Indian Affairs  
on July 28, 2011*

**SUMMARY**

S. 1218 would provide federal recognition to the Lumbee Tribe of North Carolina, thereby making the tribe eligible to receive funding from various federal programs. CBO estimates that implementing this legislation would cost \$846 million over the 2012-2016 period, assuming appropriation of the necessary funds. Enacting S. 1218 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 1218 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.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 1218 is shown in the following table. The costs of this legislation fall within budget functions 450 (community and regional development) and 550 (health).

|   | By Fiscal Year, in Millions of Dollars |      |      |      |      | 2012-2016 |
|---|--|------|------|------|------|-----------|
|   | 2012                                   | 2013 | 2014 | 2015 | 2016 |           |
| <b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b> |  |      |      |      |      |           |
| Bureau of Indian Affairs                            |  |      |      |      |      |           |
| Estimated Authorization Level                       | 33                                     | 33   | 34   | 35   | 35   | 170       |
| Estimated Outlays                                   | 25                                     | 32   | 34   | 34   | 35   | 160       |
| Indian Health Service                               |  |      |      |      |      |           |
| Estimated Authorization Level                       | 132                                    | 135  | 139  | 145  | 151  | 702       |
| Estimated Outlays                                   | 118                                    | 135  | 139  | 144  | 150  | 686       |
| Total Changes                                       |  |      |      |      |      |           |
| Estimated Authorization Level                       | 165                                    | 168  | 173  | 180  | 186  | 872       |
| Estimated Outlays                                   | 143                                    | 167  | 173  | 178  | 185  | 846       |

Notes:: Components may not sum to totals because of rounding.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that S. 1218 will be enacted early in fiscal year 2012. The bill would provide federal recognition to the Lumbee Tribe of North Carolina. Such recognition would allow the Lumbee, with membership of about 54,000 people, to receive benefits from various programs administered by the Bureau of Indian Affairs (BIA) and the Indian Health Service (IHS). Based on the average expenditures from those agencies for other Indian tribes, CBO estimates that implementing S. 1218 would cost \$846 million over the 2012-2016 period, assuming appropriation of the necessary funds.

### **Bureau of Indian Affairs**

BIA provides funding to federally recognized tribes for various purposes, including child welfare services, adult care, community development, and general assistance. In total, CBO estimates that providing BIA services would cost \$160 million over the 2012-2016 period, assuming appropriation of the necessary funds. This estimate is based on recent per capita expenditures for other federally recognized tribes located in the eastern United States.

### **Indian Health Service**

S. 1218 also would make members of the Lumbee Tribe eligible to receive health benefits from the IHS. Based on information from the IHS, CBO estimates that about

55 percent of tribal members—or about 30,000 people—would receive benefits each year. CBO assumes that the cost to serve those individuals would be similar to funding for current IHS beneficiaries—about \$3,500 per individual in 2011. Assuming appropriation of the necessary funds and adjusting for anticipated inflation, CBO estimates that IHS benefits for the Lumbee Tribe would cost \$686 million over the 2012-2016 period.

### **Other Federal Agencies**

In addition to BIA and IHS funding, certain Indian tribes also receive support from other federal programs within the Departments of Education, Housing and Urban Development, Labor, and Agriculture. Based on their status as a tribe recognized by North Carolina, the Lumbee are already eligible to receive funding from those departments. Thus, CBO estimates that implementing S. 1218 would not increase spending from those programs.

### **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 1218 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

### **ESTIMATE PREPARED BY:**

Federal Costs: Martin von Gnechten—Bureau of Indian Affairs  
Robert Stewart—Indian Health Service

Impact on State, Local, and Tribal Governments: Melissa Merrell

Impact on the Private Sector: Amy Petz

### **ESTIMATE APPROVED BY:**

Theresa Gullo  
Deputy Assistant Director for Budget Analysis