



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 18, 2016

H.R. 2387

Alaska Native Veterans Land Allotment Equity Act

As ordered reported by the House Committee on Natural Resources on September 22, 2016

SUMMARY

H.R. 2387 would amend the Alaska Native Claims Settlement Act to provide certain Alaska Natives or their heirs the opportunity to apply for allotments of land in the state. The bill also would require that some previously rejected applications for allotments of land in national forests in Alaska be reopened.

CBO estimates that implementing H.R. 2387 would cost \$50 million over the 2017-2021 period and \$80 million after 2021, assuming appropriation of the necessary amounts.

Enacting H.R. 2387 would affect direct spending; therefore, pay-as-you-go procedures apply. However, CBO expects that net changes in direct spending would be insignificant in any year and over the 2017-2026 period. Enacting the bill would not affect revenues.

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 2387 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 effect of H.R. 2387 is shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development) and 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					2017- 2021
	2017	2018	2019	2020	2021	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Allotments to Alaska Native Veterans						
Estimated Authorization Level	2	2	3	8	15	30
Estimated Outlays	2	2	3	8	15	30
Allotment Applications Claiming Ancestral Land Use						
Estimated Authorization Level	1	3	3	5	8	20
Estimated Outlays	1	3	3	5	8	20
Total Increases						
Estimated Authorization Level	3	5	6	13	23	50
Estimated Outlays	3	5	6	13	23	50

BASIS OF ESTIMATE

CBO estimates that implementing H.R. 2387 would increase administrative costs for the Department of the Interior (DOI) to review and approve applications for allotments of land. For this estimate, CBO assumes that H.R. 2387 will be enacted near the end of 2016, that the estimated amounts will be provided each year, and that outlays will follow historical patterns of spending for similar activities.

Allotments to Alaska Native Veterans

H.R. 2387 would authorize DOI to grant allotments of up to 160 acres of vacant, federally owned land in Alaska to Alaska Natives who served in the armed forces between August 5, 1964, and May 7, 1975, or the heirs of such veterans who are deceased. Any such land could not be located within a national park, a national preserve, a national monument, or a right-of-way of the TransAlaska Pipeline. The bill also would allow certain other Alaska Native people and organizations with existing allotments to withdraw those allotments and select other lands instead. Under the bill, eligible people would not be required to have personally used the land for which they submit applications.

Based on an analysis of information from DOI, CBO estimates that approximately 2,100 veterans or their heirs would be eligible to apply for allotments under H.R. 2387. Based on historical application rates for such allotments, CBO expects that about 70 percent of eligible people (or about 1,500 people) would submit applications for allotments totaling about 240,000 acres of land. Eligible people would have three years from the time final

regulations are published to file an application for an allotment. Accordingly, CBO expects that the majority of allotments would not begin to be processed until 2020. Based on DOI's historical spending patterns for the administration of land allotments in Alaska, CBO estimates that reviewing applications, acquiring lands that are not federally owned, and completing necessary land surveys prior to allotment would take between 10 and 13 years, and would cost \$30 million over the 2017-2021 period and \$60 million after 2021.¹ Such spending would be subject to appropriation.

The majority of those costs would stem from the need to travel to remote areas of Alaska to complete surveys of the land to be allotted. Based on an analysis of information from DOI, CBO estimates that travel to and survey of federally owned lands would cost \$14 million over the 2017-2021 period and \$20 million after 2021. Furthermore, based on information from DOI, CBO expects that about half of the applicants would seek land that is not currently federally owned and that land would need to be acquired from the State of Alaska or Native Corporations before it could be allotted to applicants. That process would require additional fieldwork and paperwork, including multiple physical surveys of the land, which CBO estimates would cost \$10 million over the five-year period, and \$30 million after 2021. Finally, CBO also expects that DOI would need to hire eight additional employees and conduct additional work at its headquarters and at regional offices in Alaska to implement H.R. 2387. CBO estimates that those additional efforts would cost \$6 million over the 2017-2021 period and \$9 million after 2021.

Allotment Applications Claiming Ancestral Land Use

H.R. 2387 also would reopen certain previously rejected applications for allotments of land under the Alaska Native Allotment Act of 1906. Affected applications include all those that were rejected because applicants claimed a right to the land on the basis that their ancestors had used the land, rather than on the basis that the applicants had personally used the land. Under the bill, eligible people could apply for allotments of up to 160 acres of certain types of federal land as specified in the bill, including lands located within national forests.

The number of people who would be eligible to apply for allotments under this provision is uncertain. According to DOI, approximately 1,000 previously rejected applications would be automatically reopened under the bill. In addition, based on an analysis of information from DOI, CBO estimates that the provision could make up to 1,800 additional people newly eligible for allotments of land on the basis of ancestral land use. CBO has no basis for predicting how many of this additional group of people would apply for allotments; for the purpose of this estimate, we assume that half of them would apply for allotments under

1. Under the bill, people could apply for and be allotted land that is owned by the state of Alaska or Alaska Native Corporations if the state or relevant corporations voluntarily convey the land to the United States. If an Alaska Native Corporation gives up certain land the bill would allow the corporation to replace such land with other federal land of an equal size. The bill would not allow the state the same authority to swap land.

H.R. 2387, for a total of 1,900 new applications under the bill. CBO expects that those 1,900 applicants would be awarded lands in the Tongass or Chugach National Forests totaling approximately 300,000 acres, that all such applications would be received within two years of enacting H.R. 2387, and that the majority of allotments would begin to be processed in 2019. Based on historical spending for administrative costs related to allotting lands in Alaska, CBO estimates that completing those transactions would take 10 years, cost \$20 million over the 2017-2021 period, and \$20 million after 2021, assuming appropriation of the necessary amounts. Such costs would primarily cover expenses for federal staff to travel to, survey, and prepare environmental assessments of land to be allotted.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending and revenues. CBO expects that some of the lands in the Tongass and Chugach National Forests that would be allotted to Alaska Natives under H.R. 2387 will, under current law, generate income from the sale of timber. As a result, CBO estimates that enacting the bill would reduce offsetting receipts, which would be equivalent to an increase in direct spending. Based on an analysis of information provided by the Forest Service, CBO estimates that such forgone receipts would total \$1 million over the 2017-2026 period. However, because the Forest Service can spend a portion of timber receipts without further appropriation action, CBO estimates that any such forgone receipts would be largely offset by a corresponding reduction in direct spending, resulting in no significant net effect on direct spending in any year and over the 10-year period.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2387 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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