



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 30, 2016

S. 2564 Diné College Act of 2016

*As ordered reported by the Senate Committee on Indian Affairs
on April 27, 2016*

SUMMARY

S. 2564 would authorize appropriations for grants to construct, operate, and maintain facilities at Diné College. Although the underlying authorization of appropriations for grants for Diné College expired in 2014, the Congress appropriated \$14 million to defray the cost of operations and maintenance for academic year 2015-2016. The bill also would require the Secretary of the Interior to conduct a study of the capital projects and facility needs of the college.

CBO estimates that enacting S. 2564 would cost \$64 million over the 2017-2021 period, assuming the appropriation of the specified and estimated amounts. Enacting S. 2564 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply to this legislation.

CBO estimates that enacting S. 2564 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

S. 2564 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of S. 2564 is shown in the following table. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

	By Fiscal Year, in Millions of Dollars					
	2017	2018	2019	2020	2021	2017-2021
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	16	16	17	17	0	66
Estimated Outlays	11	15	16	17	6	64

Note: Components may not add to totals because of rounding.

BASIS OF ESTIMATE

S. 2564 would authorize appropriations for grants to construct, operate, and maintain facilities at Diné College and would require the Secretary of the Interior to conduct a study of the capital projects and facility needs of the college. CBO estimates that implementing the bill would cost \$11 million in fiscal year 2017 and \$64 million over the 2017-2021 period, assuming appropriation of the necessary funds.

The bill would authorize the appropriation of \$2 million for each of fiscal years 2017 to 2020 for grants for construction projects, including the renovation and repair of existing facilities. Based on historical spending patterns of other federal construction programs, CBO estimates that implementing this provision would cost \$6 million over the 2017-2021 period.

S. 2564 also would authorize the appropriation of such sums as may be necessary for fiscal years 2017 to 2020 for grants for the operations and maintenance of Diné College. The Department of the Interior (DOI) provided \$14 million to Diné College for similar activities for academic year 2015-2016. Adjusting that amount each year for inflation and based on the historical spending patterns of similar programs, CBO estimates that implementing this provision would cost \$57 million over the 2017-2021 period.

Finally, the bill would require the Secretary to conduct and submit a survey and study of all capital projects and facility needs of Diné College. The survey would be based on an inventory of necessary renovation and repairs prepared by the college. The bill would permit the Secretary to use general administrative appropriations to carry out this section. Based on data from the DOI, CBO estimates that conducting the study would cost less than \$500,000. If the department were also to use general administrative funds to support Diné College in conducting the inventory, the cost of enacting this provision would be higher.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM NET DIRECT SPENDING AND DEFICITS:

CBO estimates that enacting S. 2564 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

S. 2564 contains no intergovernmental or private-sector mandates as defined in UMRA. Diné College of the Navajo Nation would benefit from grants authorized in the bill to address construction, maintenance, and operation needs of the college. Any costs to the college or the Navajo Nation would result from complying with conditions of federal assistance.

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