



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 27, 2016

S. 2643

Pueblo de Cochiti Self-Governance Act

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

SUMMARY

S. 2643 would ratify a settlement agreement between the Pueblo de Cochiti of New Mexico (the pueblo) and the Army Corps of Engineers (Corps). The agreement would transfer responsibility for managing the Cochiti Dam drainage system from the Corps to the pueblo and would transfer all funds in the system's operation and maintenance fund to a tribal fund held in trust for the pueblo. The bill would prohibit certain types of gaming on any lands acquired by the pueblo using those funds.

CBO estimates that enacting S. 2643 would increase direct spending by \$5 million over the 2017-2026 period. Pay-as-you-go procedures apply because enacting S. 2643 would increase direct spending. 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.

S. 2643 contains no intergovernmental or private sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would benefit the pueblo. Any costs to the tribal government would be incurred voluntarily as a result of entering into the settlement agreement as ratified in the bill.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of S. 2643 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

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-2021	2017-2026
INCREASES OR DECREASES (-) IN DIRECT SPENDING												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	7	*	*	*	*	*	*	*	*	*	6	5

Note: * = about -\$200,000.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 2643 will be enacted near the start 2017. The legislation would implement a settlement agreement between the Pueblo de Cochiti of New Mexico and the Corps and would transfer approximately \$7 million in federal funds to a tribal trust fund. The fund would be held in trust for the pueblo by the Office of the Special Trustee for American Indians.

Payments to certain tribal trust funds that are held and managed in a fiduciary capacity by the federal government on behalf of Indian tribes are treated as payments to a nonfederal entity. As a result, CBO expects that the entire amount transferred to this trust fund would be recorded as an outlay at the time of the transfer. The Secretary of the Interior would be required to invest the funds in government securities until those funds are expended by the tribe. (Any interest credited to this fund would be considered a means of financing and thus would not be recorded as an outlay on the budget.)

S. 2643 also would transfer responsibility for the operation, maintenance, repair, and replacement of the Cochiti dam drainage system from the Corps to the pueblo. According to the Department of the Interior, approximately \$200,000 is spent for operating and maintaining the system annually; those expenditures are not subject to annual appropriation. Because the operation and maintenance fund is currently considered a federal fund and is not the property of the tribe, expenditures from the fund are recorded as federal outlays. Therefore, CBO estimates that transferring operation and maintenance responsibilities to the pueblo would reduce direct spending by about \$2 million over the 2017-2026 period.)

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 or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for S. 2643, as ordered reported by the Senate Committee on Indian Affairs on April 27, 2016

	By Fiscal Year, in Millions of Dollars										2017- 2021	2017- 2026
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026		
NET INCREASE OR DECREASE (-) IN THE DEFICIT												
Statutory Pay-As-You-Go	7	0	0	0	0	0	0	0	0	0	6	5

Note: Components do not sum to totals because of rounding.

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

S. 2643 contains no intergovernmental or private sector mandates as defined in UMRA and would benefit the Pueblo de Cochiti of New Mexico. Any costs to the tribal government would be incurred voluntarily as a result of entering into the settlement agreement as ratified in the bill.

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