



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

March 25, 2015

S. 35

Little Shell Tribe of Chippewa Indians Restoration Act of 2015

As ordered reported by the Senate Committee on Indian Affairs on March 18, 2015

SUMMARY

S. 35 would provide federal recognition to the Little Shell Tribe of Chippewa Indians of Montana. Federal recognition would make the tribe eligible to receive benefits from various federal programs.

CBO estimates that implementing this legislation would cost \$40 million over the 2016-2020 period, assuming appropriation of the necessary funds. Enacting S. 35 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 35 would impose an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) by exempting some lands from taxation by state and local governments, but CBO expects the cost of that mandate would be small and well below the threshold established in that act (\$77 million in 2015, adjusted annually for inflation).

S. 35 contains no private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of S. 35 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					2016-2020
	2016	2017	2018	2019	2020	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Department of the Interior						
Estimated Authorization Level	3	3	3	3	3	15
Estimated Outlays	2	3	3	3	3	15
Indian Health Service						
Estimated Authorization Level	5	5	5	5	6	26
Estimated Outlays	4	5	5	5	6	25
Total Changes						
Estimated Authorization Level	8	8	8	8	9	41
Estimated Outlays	7	8	8	8	9	40

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

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 35 will be enacted near the end of 2015 and that the amounts necessary to implement the bill will be appropriated for each year.

The bill would provide federal recognition to the Little Shell Tribe of Chippewa Indians of Montana. Such recognition would allow the tribe and about 2,400 tribal members to receive benefits from various programs administered by the Department of the Interior (DOI) and the Indian Health Service (IHS). Based on the average per capita expenditures by those agencies for other Indian tribes, CBO estimates that implementing S. 35 would cost \$40 million over the 2016-2020 period, assuming appropriation of the necessary funds.

Department of the Interior

DOI, primarily through the 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 those services to the tribe would cost \$15 million over the 2016-2020 period, assuming appropriation of the necessary funds and adjusting for anticipated inflation. This estimate is based on current per capita expenditures of around \$1,200 for other federally recognized tribes located in the central states.

Indian Health Service

S. 35 also would make members of the 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 1,350 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 \$3,300 per individual in 2015. Assuming appropriation of the necessary funds and adjusting for anticipated inflation, CBO estimates that IHS benefits for tribal members would cost \$25 million over the 2016-2020 period.

Other Federal Agencies

In addition to DOI 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 the state of Montana, the tribe is already eligible to receive funding from those departments. Thus, CBO estimates that implementing S. 35 would not increase the costs of that support.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 35 contains an intergovernmental mandate as defined in UMRA because it would authorize the Secretary of the Interior to acquire and take into trust 200 acres of land for the tribe. Because that land would be exempt from state and local taxes, the provision would impose an intergovernmental mandate. Given the small amount of land to be taken into trust, CBO estimates that the forgone tax revenue to the State of Montana and local governments would be small and well below the threshold established for intergovernmental mandates (\$77 million in 2015, adjusted annually for inflation).

ESTIMATED IMPACT ON THE PRIVATE SECTOR

S. 35 contains no private-sector mandates as defined in UMRA.

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