



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

January 29, 2016

S. 383

Indian Trust Asset Reform Act

As ordered reported by the Senate Committee on Indian Affairs on July 29, 2015

Under current law, the Department of the Interior (DOI) is responsible for managing financial assets held in trust by the federal government for the benefit of Indian tribes. S. 383 would amend current law to give tribes more authority to manage their own assets. The bill also would expand tribes' authority to enter into leases for certain services and activities on tribal land—particularly related to management of tribally owned natural resources—without DOI's approval.

CBO does not expect that implementing S. 383 would affect the federal government's overall costs to provide services and other assistance to tribes. Under current law, some of those costs are incurred directly by DOI; in other cases, the department provides financial support for tribes to perform such work. In the latter case, DOI typically retains a role in approving and overseeing contracts and other agreements entered into by the tribe for such activities.

Under the bill, to the extent that tribes shift toward hiring nonfederal contractors to manage financial assets, DOI might face increased costs to review and approve such contracts. At the same time, CBO expects that expanding tribes' authority to use certain leases to procure services related to natural resources owned by the tribe would reduce the department's administrative workload. Taken as a whole, CBO estimates that any net change in federal costs—which would be subject to appropriation—would be insignificant in any given year.

Because enacting S. 383 would not affect direct spending or revenues, pay-as-you-go procedures do not apply. CBO estimates that enacting S. 383 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2026.

S. 383 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. Any costs incurred by tribes as a result of using additional authority granted by the bill would be incurred voluntarily.

The CBO staff contact for this estimate is Megan Carroll. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.