



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 21, 2017

S. 39 **Little Shell Tribe of Chippewa Indians** **Restoration Act of 2017**

As ordered reported by the Senate Committee on Indian Affairs on February 8, 2017

SUMMARY

S. 39 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 \$35 million over the 2018-2022 period, assuming appropriation of the necessary amounts. Enacting S. 39 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting S. 39 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 39 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 estimates the cost of the mandate would be small and well below the threshold established in that act (\$78 million in 2017, adjusted annually for inflation).

S. 39 contains no private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of S. 39 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					2018-
	2018	2019	2020	2021	2022	2022
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Department of the Interior						
Estimated Authorization Level	3	3	3	3	3	16
Estimated Outlays	2	3	3	3	3	15
Indian Health Service						
Estimated Authorization Level	4	4	4	4	5	20
Estimated Outlays	4	4	4	4	5	20
Total Changes						
Estimated Authorization Level	7	7	7	7	8	36
Estimated Outlays	6	7	7	7	8	35

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

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 39 will be enacted near the end of 2017 and that the amounts necessary to implement the bill will be appropriated each year.

Providing federal recognition to the Little Shell Tribe of Chippewa Indians of Montana would allow the tribe and about 2,600 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. 39 would cost \$35 million over the 2018-2022 period.

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. Based on current per capita expenditures of around \$1,200 for other federally recognized tribes located in the central states and accounting for anticipated inflation, CBO estimates that providing those services to the tribe would cost \$15 million over the 2018-2022 period.

Indian Health Service

S. 39 also would make members of the tribe eligible to receive health benefits. Based on an analysis of information from the IHS, CBO estimates that about 55 percent of tribal members—or about 1,400 people—would receive benefits each year. CBO expects that the per capita cost to serve those people would be similar to the costs for current IHS beneficiaries—about \$2,650 in 2017. Accounting for anticipated inflation, CBO estimates that providing benefits for tribal members through the IHS would cost \$20 million over the 2018-2022 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 enacting S. 39 would not increase costs for that support.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 39 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 39 contains an intergovernmental mandate as defined in UMRA because it would authorize the Secretary of Interior to acquire and take into trust 200 acres of land for the Little Shell 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 state and local governments would be small and well below the threshold established for intergovernmental mandates (\$78 million in 2017, adjusted annually for inflation).

ESTIMATED IMPACT ON THE PRIVATE SECTOR

S. 39 contains no private-sector mandates as defined in UMRA.

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