



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 22, 2017

**S. 1116
Indian Community Economic Enhancement Act of 2017**

*As ordered reported by the Senate Committee on Indian Affairs
on May 17, 2017*

SUMMARY

S. 1116 would amend the Native American Business Development, Trade Promotion, and Tourism Act of 2000 to authorize appropriations to reorganize the Office of Native American Business Development (ONABD) within the Department of Commerce (DOC). That office would be required to serve as the liaison between DOC and Indian tribes. The bill also would authorize appropriations for the Department of Health and Human Services (HHS) to provide development assistance to Native American communities. Finally, the bill would require other federal agencies to coordinate and implement initiatives to encourage investment in Indian businesses.

CBO estimates that implementing S. 1116 would cost \$139 million over the 2018-2022 period, assuming appropriation of the authorized and necessary amounts. Enacting S. 1116 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

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 2028.

S. 1116 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. 1116 is shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development) and function 500 (education, training, employment, and social services).

	By Fiscal Year, in Millions of Dollars						2017-2022
	2017	2018	2019	2020	2021	2022	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION							
Department of Commerce							
Authorization Level	0	2	2	2	2	2	10
Estimated Outlays	0	1	2	2	2	2	9
Department of Health and Human Services							
Estimated Authorization Level	0	32	33	33	34	35	167
Estimated Outlays	0	1	29	33	33	34	130
Total Changes							
Estimated Authorization Level	0	34	35	35	36	37	177
Estimated Outlays	0	2	31	35	35	36	139

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1116 will be enacted near the end of 2017, that the authorized and necessary amounts will be appropriated for each fiscal year, and that spending will follow historical patterns for similar programs.

Department of Commerce

S. 1116 would authorize the appropriation of \$2 million for each fiscal year to ONABD and would require that the Director of Native American Business Development serve as DOC’s point of contact with Indian tribes. Current law authorizes the appropriation of whatever amounts are necessary annually for ONABD operations; however, no funds have been appropriated for such purposes since ONABD was originally authorized. CBO estimates that implementing those provisions would cost \$9 million over the 2018-2022 period for ONABD.

Department of Health and Human Services

The bill would authorize the appropriation of such sums as may be necessary for social and economic development programs under the Native American Programs Act of 1974 for each year over the 2018-2022 period. S. 1116 also would slightly expand the number of eligible institutions, prioritize applications that seek assistance for certain types of community and economic development, and prioritize technical assistance for applicants and grantees that seek assistance for those types of activities.

The authorization of the social and economic development grant programs under the Native American Programs Act of 1974 expired at the end of fiscal year 2002. However, the Congress has continued to appropriate funds for those programs, including about \$32 million in 2017. Assuming continued appropriations at that level and adjusting for anticipated inflation, CBO estimates that implementing those provisions would cost \$130 million over the 2018-2022 period for HHS programs.

Other Requirements

The legislation also would require DOC, the Department of the Interior, and the Department of Treasury to develop coordinated initiatives to encourage investment in Indian communities. Based on information from those departments, CBO estimates that implementing those requirements would have no significant cost in any year.

PAY-AS-YOU-GO CONSIDERATIONS: None.

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 2028.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1116 contains no intergovernmental or private-sector mandates as defined in UMRA. Tribal businesses would benefit from the reauthorization of the Buy Indian Act. Such reauthorization would allow the award of federal contracts to Indian-owned businesses and bypass the standard competitive process. Tribal governments would benefit from provisions in the bill promoting private investment in Indian communities. Any costs to tribal governments would result from complying with conditions of assistance.

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