



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 15, 2018

S. 2804 **Cultivating Resources, Opportunity, Prosperity, and Sustainability** **(CROPS) for Indian Country Act**

As ordered reported by the Senate Committee on Indian Affairs on May 16, 2018

SUMMARY

S. 2804 would allow Indian tribes to enter into self-determination contracts with the Department of Agriculture (USDA) to carry out the Food Distribution Program on Indian Reservations (FDPIR). CBO estimates that implementing those self-determination contracts would increase direct spending by \$86 million over the 2019-2028 period.

CBO estimates that implementing other provisions of the bill would cost about \$2 million over the 2019-2023 period. Such spending would be subject to the availability of appropriations.

Because enacting S. 2804 would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting S. 2804 would not increase net direct spending by more than \$2.5 billion or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2029.

S. 2804 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. 2804 is shown in the following table. The costs of the legislation fall within budget functions 450 (community and regional development) and 600 (income security).

	By Fiscal Year, in Millions of Dollars											2019-	2019-
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2023	2028
INCREASES IN DIRECT SPENDING													
Estimated Budget Authority	0	0	6	7	10	10	10	10	11	11	11	33	86
Estimated Outlays	0	0	6	7	10	10	10	10	11	11	11	33	86
INCREASES IN SPENDING SUBJECT TO APPROPRIATION													
Estimated Authorization Level	0	1	*	*	*	*	*	*	*	*	*	2	3
Estimated Outlays	0	1	*	*	*	*	*	*	*	*	*	2	3

Components may not sum to total because of rounding.

* = between zero and \$500,000.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 2804 will be enacted near the start of fiscal year 2019.

Direct Spending

S. 2804 would direct USDA to allow Indian tribes to enter into self-determination contracts to carry out FDPIR. Under current law, Indian tribal organizations (ITOs) and states administer the program; USDA generally reimburses ITOs and states for 75 percent of the administrative costs they incur to operate the program. In 2017, the federal reimbursement was \$48 million. After accounting for inflation, CBO estimates that those costs will increase to \$56 million by 2022, the year in which the CBO expects the policy would be fully implemented. Under the policy, in that year, CBO expects that about half of FDPIR benefits would be administered under a self-determination contract and that USDA would reimburse tribes for all of their administrative costs under those contracts; the change in reimbursement would increase costs by \$9 million in 2022. In addition, CBO expects that USDA would reimburse tribes for costs they incur to set up the self-determination contracts; those costs would total \$2 million over the 2020-2022 period. In total, CBO estimates that implementing the provision would increase direct spending by \$86 million over the 2019-2028 period.

Spending Subject to Appropriation

Other provisions of S. 2804 would require USDA to create a tribal advisory committee, designate several tribal areas to receive priority consideration for USDA grants, and complete reports related to the usefulness of USDA's programs for Indian tribes. Using information from USDA, CBO estimates that implementing those provisions would cost

about \$2 million over the 2019-2023 period. Such spending would be subject to the availability of appropriated funds.

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. 2804, the Cultivating Resources, Opportunity, Prosperity, and Sustainability (CROPS) for Indian Country Act, as Ordered Reported by the Senate Committee on Indian Affairs on May 16, 2018

	By Fiscal Year, in Millions of Dollars												2018- 2023	2018- 2028
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028			
NET INCREASE IN THE DEFICIT														
Statutory Pay-As-You-Go Effect	0	0	6	7	10	10	10	10	11	11	11	33	86	

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 2804 would not increase net direct spending by more than \$2.5 billion or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2029.

MANDATES

S. 2804 contains no intergovernmental or private-sector mandates as defined in UMRA. The demonstration projects established in the bill for food distribution and forest management would benefit tribal governments and any costs to those tribe, including matching contributions, would result from complying with conditions of assistance.

ESTIMATE PREPARED BY

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