



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 22, 2018

S. 2827

A bill to amend the Morris K. Udall and Stewart L. Udall Foundation Act

*As reported by the Senate Committee on Environment and Public Works
on September 18, 2018*

SUMMARY

S. 2827 would amend the Morris K. Udall and Stewart L. Udall Foundation Act and reauthorize the appropriation of funds for the Environmental Dispute Resolution Fund and the Morris K. Udall and Stewart L. Udall Trust Fund. CBO estimates that implementing the bill would cost \$30 million over the 2019-2023 period and an additional \$15 million over the subsequent five years. That spending would be subject to appropriation of the estimated amounts.

The trust fund invests its balances in Treasury obligations, and the interest from those investments is available without further appropriation to support the fund's activities. Enacting S. 2827 would increase the amounts available for investment and thus increase the interest the trust fund earns and spends. CBO estimates that direct spending would total \$2 million over the 2019-2028 period; therefore, pay-as-you-go procedures apply. The bill would not affect revenues.

CBO estimates that enacting S. 2827 would not increase net direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2029.

S. 2827 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 effects of S. 2827 are shown in the following table. The costs of the legislation fall within budget functions 300 (natural resources and the environment) and 500 (education, training, employment, and social services).

	By Fiscal Year, in Millions of Dollars										2019-	2019-
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2023	2028
INCREASES IN SPENDING SUBJECT TO APPROPRIATION												
Environmental Dispute Resolution Fund												
Authorization Level	4	4	4	4	4	4	0	0	0	0	20	24
Estimated Outlays	2	4	4	4	4	4	2	0	0	0	18	24
Morris K. Udall and Stewart L. Udall Trust Fund												
Estimated Authorization Level	2	2	2	2	2	2	2	2	2	2	10	21
Estimated Outlays	2	2	2	2	2	2	2	2	2	2	10	21
Total												
Estimated Authorization Level	6	6	6	6	6	6	2	2	2	2	30	45
Estimated Outlays	4	6	6	6	6	6	4	2	2	2	28	45
INCREASES IN DIRECT SPENDING												
Estimated Budget Authority	*	*	*	*	*	*	*	*	*	*	1	2
Estimated Outlays	*	*	*	*	*	*	*	*	*	*	1	2

Components may not sum to totals because of rounding; * = between zero and \$500,000.

BASIS OF ESTIMATE

The Morris K. Udall and Stewart L. Udall Foundation is an independent agency of the executive branch. The foundation's activities are funded by appropriations to the Environmental Dispute Resolution Fund (EDRF) and the Morris K. Udall and Stewart L. Udall Trust Fund. Although the underlying authorizations for those programs have expired, the Congress has continued to appropriate funds for them.

For this estimate, CBO assumes the bill will be enacted near the end of 2018 and that the necessary funds will be appropriated each year. Estimated outlays are based on historical spending patterns.

Spending Subject to Appropriation

CBO estimates that S. 2827 would authorize the appropriation of \$30 million over the 2019-2023 period and an additional \$15 million over the subsequent five years. Implementing the bill's provisions would cost \$45 million over the 2019-2028 period, CBO estimates.

Environmental Dispute Resolution Fund. Appropriations for the EDRF are used to support the annual operations of the U.S. Institute for Environmental Conflict Resolution. From 2019 through 2024, S. 2827 would authorize the annual appropriation of \$3 million to pay operating costs and \$1 million to pay for services to support federal and nonfederal entities in environmental conflict resolution proceedings involving federal agencies. CBO estimates that implementing those provisions would cost \$18 million over the 2019-2023 period. The Congress appropriated \$3 million for the EDRF for 2019.

Trust Fund. Appropriations to the trust fund are invested in Treasury obligations, with some of the appropriated funds transferred during the year to support the Native Nations Institute for Leadership, Management, and Policy. The rest of the appropriation remains in the fund and the annual interest credited to the fund is available to support various scholarship and fellowship programs.

S. 2827 would not specifically amend the period for which appropriations to the trust fund are authorized. However, the bill would amend other parts of the law that authorizes those activities. As a result, CBO's estimate is based on the expectation that the Congress intends those activities to continue and thus that S. 2827 would permanently authorize the appropriation of such sums as may be necessary.

The Congress appropriated \$2 million to the trust fund to invest in Treasury obligations for fiscal year 2018. Assuming appropriation of a similar amount for 2019, and increasing that amount for expected inflation in future years, CBO estimates that the bill would authorize the appropriation of \$10 million over the 2019-2023 period and that outlays would total the same amount over that period.

Direct Spending

CBO estimates that enacting S. 2827 would increase direct spending by \$2 million over the 2019-2028 period.

Environmental Dispute Resolution Fund. Appropriations for the EDRF would be used to support the annual operations of the U.S. Institute for Environmental Conflict Resolution. As part of its operations, the institute provides services to and receives payments from federal and nonfederal entities, which are treated as reductions in direct spending. The institute can then spend those payments on additional activities without further appropriation. However, CBO expects that those payments are likely to be spent shortly after they are collected, so enacting S. 2827 would result in a negligible net effect on direct spending by the EDRF.

Trust Fund. The bill would authorize additional appropriations, which the trust fund would invest in Treasury obligations. The interest earned would be used for the trust

fund's activities. Those outlays are classified as direct spending because the fund can spend the interest without further appropriation.

CBO estimates that enacting S. 2827 would authorize the appropriation of \$21 million over the 2019-2028 period for the trust fund to invest in Treasury obligations. Based on CBO's projections of interest rates, the trust fund would earn, and subsequently spend, an additional \$2 million over the 2019-2028 period.

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. CBO estimates that enacting S. 2827 would increase direct spending by an insignificant amount in each fiscal year from 2019 to 2028 and by \$2 million over the 2019-2028 period, as shown in the table at the top of page 2.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 2827 would not increase net direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2029.

MANDATES

S. 2827 contains no intergovernmental or private-sector mandates as defined in UMRA.

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