



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

November 19, 2018

S. 785
Alaska Native Vietnam Era Veterans Land Allotment Act
*As ordered reported by the Senate Committee on Energy and Natural Resources
on October 2, 2018*

SUMMARY

S. 785 would provide certain Alaska Native veterans or their heirs the opportunity to apply for allotments of land in Alaska. CBO estimates that implementing S. 785 would cost \$11 million over the 2019-2023 period, assuming appropriation of the necessary amounts.

Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting S. 785 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 785 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. 785 is shown in the following table. The costs of the legislation fall within budget function 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars					2019-2023
	2019	2020	2021	2022	2023	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	1	2	3	3	4	13
Estimated Outlays	*	2	3	3	3	11

* = between zero and \$500,000.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 785 will be enacted near the end of 2018 and that the necessary amounts will be appropriated for each year beginning in 2019. Estimated outlays are based on historical spending patterns for administering similar land allotments.

S. 785 would authorize the Department of the Interior (DOI) to grant allotments of up to 160 acres each from certain vacant, federally owned land in Alaska to Alaska Natives who served in the armed forces between August 5, 1964, and December 31, 1971, or to their heirs.

Background

Under the Alaska Native Allotment Act of 1906 (1906 Act), DOI was authorized to convey allotments of up to 160 acres of vacant land to Alaska Natives. The law required Alaska Natives to prove that they had continually used and occupied that particular land for a period of at least five years in order to receive such an allotment.

In 1971, the 1906 Act was repealed; in the three years before its repeal, DOI and other organizations worked with Alaska Natives to ensure eligible people were aware of their eligibility for allotments and that those who were interested in such allotments submitted applications before the law's repeal. However, in the years following that repeal, some people became concerned that certain Alaska Natives who served in the armed forces during the Vietnam Era (1964 to 1975) would not have been able to submit applications for allotments in the final years before the 1906 Act was repealed. Subsequently, the Alaska Native Veterans Allotment Act of 1998 (1998 Act) was enacted to allow those eligible veterans to apply for allotments in the same manner as under the 1906 Act. The authority to submit such applications expired in February 2002.

In a 1997 report to the Congress, DOI estimated that about 1,600 Alaska Native veterans would be eligible to submit applications under the 1998 Act. DOI received about 800 applications, although only about 250 of them met the 1998 Act's requirements; all others were rejected.

Eligible Land

The land eligible for allotment under S. 785 could not be located within a national forest, national park, a national preserve, a national monument, or a right-of-way of the TransAlaska Pipeline. Under the bill, the federal government would retain mineral rights to any land allotted under S. 785 and eligible people would not be required to have personally used the land for which they submit applications.

The bill also would direct DOI to consult with the state and Alaska Native Corporations to identify 500,000 acres of federal land to be made available for allotment under S. 785. DOI would then be required to review and approve applications for allotments of land as they are submitted and to survey the land before making the allotments. Using information from DOI, CBO expects that DOI would work with the Alaska Native Corporations to select land that is close to land owned by the corporations and as contiguous as possible. That would streamline the required survey and assessment of the selected land.

However, the bill would not restrict eligible people from applying for allotments outside of the 500,000 acres of land that DOI would be required to set aside. According to DOI, when given the option to select multiple allotments, Alaska Natives have historically tended to prefer selecting land that is near their corporation for their initial allotment and to select land in more remote areas for subsequent allotments. The more remote allotments tend to be for the purpose of acquiring land conducive to hunting and fishing. CBO estimates that about half of the land allotted would be outside of the 500,000 acres that DOI would set aside.

Eligible Applicants

Using information from DOI about the number of Alaska Native veterans who served between 1964 and 1971 and who did not receive allotments under the 1906 Act or the 1998 Act, CBO estimates that approximately 1,350 veterans or their heirs would be eligible to apply for allotments under S. 785. That figure is equal to the approximately 1,600 veterans estimated to be eligible in DOI's 1997 report to the Congress, minus the 250 people who received allotments under the 1998 Act.

About 50 percent of those eligible applied for allotments under the 1998 Act. CBO expects that application rates under S. 785 would be slightly higher than those under the 1998 Act because S. 785 removes the restriction that any land applied for must have been personally used by the applicant and directs DOI to conduct outreach activities and to provide application assistance to eligible people. Therefore, CBO estimates that under S. 785 about 70 percent of eligible people (or about 950 people) would submit applications for allotments totaling about 150,000 acres of land.

Allotment Costs

Using information from DOI, CBO estimates that conferring with state officials and Alaska Native Corporations to set aside 500,000 acres of land and reviewing applications for and surveying about 75,000 acres (half of the 150,000 acres expected to be allotted in total under the bill) would cost DOI about \$2 million over the 2019-2023 period.

CBO expects that applications for the remaining 75,000 acres would be for land outside of the land set aside by DOI. Using information from DOI, CBO estimates that reviewing applications and surveying other noncontiguous land would cost DOI about \$9 million over the 2019-2023 period and \$5 million after 2023. The majority of those costs would stem from travel to remote areas of Alaska. All such spending would be subject to appropriation.

UNCERTAINTY

CBO aims to produce cost estimates that generally reflect the middle of a range of the most likely budgetary outcomes that would result if the legislation was enacted. The cost to implement S. 785 could be greater or smaller than CBO has estimated.

The number of applicants who would apply for land outside of the 500,000 acres set aside by DOI under the bill is uncertain and thus the cost of reviewing the applications and surveying the land could be different. DOI expects that more remote pieces of land would be selected for their proximity to hunting and fishing. However, although such remote land would be of value to applicants, DOI would probably encourage eligible people to apply for land within the set-aside portion. If more land is chosen within the set-aside portion, the costs would be lower.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 785 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

MANDATES

S. 785 contains no intergovernmental or private-sector mandates as defined in UMRA.

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