

At a Glance

H.R. 2156, RECLAIM Act of 2019

As ordered reported by the House Committee on Natural Resources on May 1, 2019

| By Fiscal Year, Millions of Dollars | 2019 | 2019-2024 | 2019-2029 |
|--|------|-------------------------------------|-----------|
| Direct Spending (Outlays) | 0 | 856 | 1,212 |
| Revenues | 0 | 0 | 0 |
| Deficit Effect | 0 | 856 | 1,212 |
| Spending Subject to Appropriation (Outlays) | 0 | 15 | 18 |
| Statutory pay-as-you-go procedures apply? | Yes | Mandate Effects | |
| Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030? | No | Contains intergovernmental mandate? | No |
| | | Contains private-sector mandate? | No |

The bill would

- Direct the Office of Surface Mining Reclamation and Enforcement to disburse, without further appropriation, \$200 million annually over the 2020-2024 period from the Abandoned Mine Reclamation Fund to states and tribes
- Authorize states and tribes to use those grants for economic development
- Increase the minimum payment that certain states receive under current law from the fund

Estimated budgetary effects would primarily stem from

- The authorization of \$200 million annually on grants
- The increase in minimum payments to certain states

Detailed estimate begins on the next page.



Bill Summary

H.R. 2156 would direct the Office of Surface Mining Reclamation and Enforcement (OSMRE) to disburse \$200 million annually, without further appropriation, over the 2020-2024 period from the Abandoned Mine Reclamation Fund to states and Indian tribes to use for economic development. Those grants would be in addition to annual amounts the fund distributes to certain states under current law for mine reclamation; the minimum annual payment for some states would increase from \$3 million to \$5 million.

Estimated Federal Cost

The estimated budgetary effect of H.R. 2156 is shown in Table 1. The costs of the legislation fall within budget function 300 (natural resources and environment).

| Table 1. Estimated Budgetary Effects of H.R. 2156 | | | | | | | | | | | | | |
|--|------|------|------|------|------|------|------|------|------|------|------|---------------|---------------|
| By Fiscal Year, Millions of Dollars | | | | | | | | | | | | 2019- 2024 | 2019- 2029 |
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | | |
| Increases in Direct Spending | | | | | | | | | | | | | |
| Estimated Budget Authority | 0 | 224 | 224 | 224 | 224 | 224 | 24 | 24 | 24 | 24 | 24 | 1,120 | 1,240 |
| Estimated Outlays | 0 | 63 | 148 | 197 | 224 | 224 | 168 | 92 | 48 | 24 | 24 | 856 | 1,212 |
| Increases in Spending Subject to Appropriation | | | | | | | | | | | | | |
| Estimated Authorization | 0 | 3 | 3 | 3 | 3 | 3 | 1 | 1 | 1 | 0 | 0 | 15 | 18 |
| Estimated Outlays | 0 | 3 | 3 | 3 | 3 | 3 | 1 | 1 | 1 | 0 | 0 | 15 | 18 |

Basis of Estimate

For this estimate, CBO assumes that the legislation will be enacted near the end of 2019 and that the necessary amounts will be appropriated each year. Estimated outlays are based on historical spending patterns.

Background

Under the Abandoned Mine Lands (AML) program, coal producers pay fees to the Department of the Interior based on their annual production. Those fees are deposited into the Abandoned Mine Reclamation Fund, which is the source of grants to states and tribes to perform reclamation activities. The department is authorized to spend, without further appropriation, 80 percent of the fees collected each year for those grants, plus whatever amounts are necessary to ensure that all eligible states receive at least \$3 million in annual payments. Any remaining amounts are available, subject to appropriation, for OSMRE to administer the AML program. The authority to collect those fees expires in 2021.



CBO estimates that the unappropriated balance in the fund at the beginning of fiscal year 2020 will total \$2.2 billion. Net spending from the fund, after accounting for the collection of fees that will occur through 2021, will reduce that balance to roughly \$1.3 billion by the end of 2029; the remaining balance will be spent thereafter. In making those calculations, CBO did not include amounts appropriated from the fund to cover OSMRE's administrative costs because such spending would depend on future Congressional action.

Direct Spending

H.R. 2156 would direct OSMRE to disburse an additional \$200 million annually, without further appropriation, over the 2020-2024 period from the Abandoned Mine Reclamation Fund to states and tribes for mine reclamation and restoration projects that contribute to economic development. CBO estimates that providing those grants would cost \$1.0 billion over the 2020-2029 period.

The bill also would increase the minimum annual payment to certain states from \$3 million to \$5 million. Using information on such payments in recent years, CBO expects that 12 states would receive the new minimum payment and thus we estimate that providing those payments would cost \$24 million annually and would total \$212 million over the 2020-2029 period.

In total, CBO estimates that enacting H.R. 2156 would increase direct spending by \$1.2 billion over the 2019-2029 period. Because amounts in the fund eventually will be spent under current law, CBO estimates that enacting the bill would reduce direct spending by a similar amount after 2029.

Spending Subject to Appropriation

H.R. 2156 would authorize OSMRE to spend up to \$3 million annually from amounts appropriated from the fund over the 2020-2024 period for additional staffing and administration. CBO expects that OSMRE would retain some staff through 2027 for continued oversight of the grants, at an estimated annual cost of \$1 million. The bill also would direct the Government Accountability Office to study how grants authorized under the bill are used. In total, CBO estimates, implementing H.R. 2156 would cost \$15 million over the 2020-2024 period and \$3 million after 2024.

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 Table 2.



Table 2.
CBO’s Estimate of Pay-As-You-Go Effects of H.R. 2156

| | By Fiscal Year, Millions of Dollars | | | | | | | | | | | 2019-2024 | 2019-2029 |
|--------------------------------|-------------------------------------|------|------|------|------|------|------|------|------|------|------|-----------|-----------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | | |
| | Net Increase in the Deficit | | | | | | | | | | | | |
| Statutory Pay-As-You-Go Effect | 0 | 63 | 148 | 197 | 224 | 224 | 168 | 92 | 48 | 24 | 24 | 856 | 1,212 |

Increase in Long-Term Deficits: None.

Mandates: None.

Estimate Prepared By

Federal Costs: Janani Shankaran

Mandates: Jon Sperl

Estimate Reviewed By

Kim P. Cawley

Chief, Natural and Physical Resources Cost Estimates Unit

H. Samuel Papenfuss

Deputy Assistant Director for Budget Analysis