

### At a Glance

## H.R. 3195, Land and Water Conservation Fund Permanent Funding Act

As ordered reported by the House Committee on Natural Resources on June 19, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	<b>0</b>	<b>2,975</b>	<b>7,225</b>
Revenues	<b>0</b>	<b>0</b>	<b>0</b>
Deficit Effect	<b>0</b>	<b>2,975</b>	<b>7,225</b>
Spending Subject to Appropriation (Outlays)	<b>0</b>	*	Not estimated
Statutory pay-as-you-go procedures apply?	<b>Yes</b>	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	<b>&gt; \$5 billion</b>	Contains intergovernmental mandate?	<b>No</b>
		Contains private-sector mandate?	<b>No</b>

\* = between zero and \$500,000.

#### The bill would

- Make amounts deposited into the Land and Water Conservation Fund (LWCF) available without further appropriation to the Department of the Interior and the Forest Service
- Create a process for the President and the Congress to establish annual allocations from the fund
- Require the President to report annually to the Congress on the status of obligations and outlays from the LWCF, and on allocations by account, program, and project

#### Estimated budgetary effects would primarily stem from

- Federal acquisition of land and funding for state grants to acquire land and water for outdoor recreation

**Detailed estimate begins on the next page.**



## Bill Summary

H.R. 3195 would authorize the Department of the Interior (DOI) and the Forest Service, which is within the Department of Agriculture, to spend amounts in the Land and Water Conservation Fund without further appropriation or fiscal year limitation. In addition, the bill would create a process for the President and the Congress to establish annual funding allocations. Finally, under H.R. 3195, the President would be required to report annually to the Congress on the status of LWCF obligations and outlays and on allocations by account, program, and project.

## Estimated Federal Cost

The estimated budgetary effect of H.R. 3195 is shown in Table 1. The costs of the legislation fall within budget function 300 (natural resources and the environment).

<b>Table 1.</b>														
<b>Estimated Increases in Direct Spending Under H.R. 3195</b>														
	By Fiscal Year, Millions of Dollars													
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2019-2024	2019-2029	
	<b>Increases in Direct Spending</b>													
Estimated Budget Authority	0	22,085	900	900	900	900	900	900	900	900	900	25,685	30,185	
Estimated Outlays	0	275	500	675	750	775	800	825	850	875	900	2,975	7,225	

## Basis of Estimate

The LWCF is permanently authorized to receive annual deposits of at least \$900 million, mostly from federal receipts from offshore oil and gas leases but also from federal motorboat fuel taxes and proceeds from certain sales of surplus property, among other smaller sources. Since its establishment in 1965, \$40.9 billion has been credited to the LWCF.<sup>1</sup> Under current law, DOI and the Forest Service are authorized to spend amounts deposited into the fund only if those funds are subsequently appropriated. In 2019, the Congress appropriated a total of \$435 million from the LWCF to those agencies. Since 1965, \$19.7 billion has been appropriated from the fund, and \$21.2 billion remains available.

Under the Gulf of Mexico Energy Security Act of 2006 (GOMESA), 12.5 percent of proceeds from certain offshore oil and gas leases is deposited into the LWCF and available to be spent without further appropriation on a state grant program that is administered by the

1. See Carol Hardy Vincent, *Land and Water Conservation Fund: Overview, Funding History, and Issues*, Report for Congress RL33531 (Congressional Research Service, June 19, 2019), <https://go.usa.gov/xVavq>.



National Park Service, which is within DOI. CBO estimates that about \$119 million will be deposited and spent annually over the 2020-2029 period from that source.

### **New Budget Authority**

CBO assumes that H.R. 3195 will be enacted near the end of fiscal year 2019. Under the bill, at the beginning of fiscal year 2020 the \$21.2 billion in unappropriated funds would become permanently available for expenditure. (That amount excludes funds credited under GOMESA, which are authorized to be spent under current law.) Another \$900 million would become available by the end of 2020 from deposits made that year. Thus, CBO estimates that enacting H.R. 3195 would make about \$22.1 billion available by the end of 2020 and \$900 million would be available annually from deposits into the fund over the 2021-2029 period.

### **Pace of Spending**

H.R. 3195 would require the President to propose annual spending allocations from the LWCF. The Congress could provide alternative allocations in appropriation acts within the first 120 days of a fiscal year. If it failed to do so, the President's allocations would stand.

CBO cannot predict how funds would ultimately be allocated under the bill. However, on the basis of information from agencies within DOI and from the Forest Service about land acquisition needs and backlogs, demand for state grants, and historical spending patterns for similar activities, CBO estimates that the federal government would gradually increase its spending under the bill from \$275 million in 2020 to \$900 million in 2029, the full amount of the deposits that year.<sup>2</sup> (Discretionary appropriations from the LWCF averaged about \$425 billion annually over the past four fiscal years.) CBO expects that the government would continue spending from the fund after 2029.

### **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 1.

### **Increase in Long-Term Deficits**

CBO estimates that enacting H.R. 3195 would increase on-budget deficits by more than \$5 billion in at least one of the four consecutive 10-year periods beginning in 2030.

**Mandates:** None.

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2. According to the National Park Service, acquiring lands already identified for purchase would cost about \$2.1 billion. See National Park Service, Land and Water Conservation Fund, "Land and Water Conservation Fund: Land Acquisition Status" (January 12, 2016), <https://go.usa.gov/xVavG>.



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