

### At a Glance

## S. 1345, a bill to amend and reauthorize the Morris K. Udall and Stewart L. Udall Foundation Act

As reported by the Senate Committee on Environment and Public Works on June 19, 2019

| By Fiscal Year, Millions of Dollars  | 2019          | 2019-2024                           | 2019-2029     |
|--|---------------|-------------------------------------|---------------|
| Direct Spending (Outlays)  | 0             | 1                                   | 2             |
| Revenues   | 0             | 0                                   | 0             |
| Deficit Effect   | 0             | 1                                   | 2             |
| Spending Subject to Appropriation (Outlays)  | 0             | 26                                  | not estimated |
| Statutory pay-as-you-go procedures apply?  | Yes           | <b>Mandate Effects</b>              |               |
| Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030? | < \$5 billion | Contains intergovernmental mandate? | No            |
|  |               | Contains private-sector mandate?    | No            |

#### The bill would

- Revise the requirements governing the Morris K. Udall and Stewart L. Udall Foundation
- Reauthorize appropriations for the Environmental Dispute Resolution Fund and the Morris K. Udall and Stewart L. Udall Trust Fund

#### Estimated budgetary effects would primarily stem from

- Authorizing appropriations for services to support federal and nonfederal entities in environmental conflict resolution proceedings involving federal agencies
- Authorizing appropriations to support the Native Nations Institute for Leadership, Management, and Policy
- Authorizing appropriations for the Udall trust fund to support scholarship and fellowship programs

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

## Bill Summary

The Morris K. Udall and Stewart L. Udall Foundation is an independent agency of the executive branch. S. 1345 would amend the Morris K. Udall and Stewart L. Udall Foundation Act and authorize the appropriation of funds for the Environmental Dispute Resolution Fund and the Morris K. Udall and Stewart L. Udall Trust Fund.

## Estimated Federal Cost

The estimated budgetary effect of S. 1345 is shown in Table 1. The costs of the legislation fall within budget functions 300 (natural resources and the environment) and 500 (education, training, employment, and social services).

**Table 1.**  
**Estimated Budgetary Effects of S. 1345**

|   | By Fiscal Year, Millions of Dollars |      |      |      |      |      |      |      |      |      |      | 2019-2024 | 2019-2029 |
|---|-------------------------------------|------|------|------|------|------|------|------|------|------|------|-----------|-----------|
|   | 2019                                | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |           |           |
| <b>Increases in Spending Subject to Appropriation</b> |                                     |      |      |      |      |      |      |      |      |      |      |           |           |
| Estimated Authorization                               | 0                                   | 6    | 6    | 6    | 6    | 2    | n.e. | n.e. | n.e. | n.e. | n.e. | 26        | n.e.      |
| Estimated Outlays                                     | 0                                   | 4    | 6    | 6    | 6    | 4    | n.e. | n.e. | n.e. | n.e. | n.e. | 26        | n.e.      |
| <b>Increases in Direct Spending</b>                   |                                     |      |      |      |      |      |      |      |      |      |      |           |           |
| Estimated Budget Authority                            | 0                                   | *    | *    | *    | *    | *    | *    | *    | *    | *    | *    | 1         | 2         |
| Estimated Outlays                                     | 0                                   | *    | *    | *    | *    | *    | *    | *    | *    | *    | *    | 1         | 2         |

n.e. = not estimated; \* = between zero and \$500,000.

## Basis of Estimate

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 authorization of appropriations 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 2019 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. 1345 would authorize the appropriation of \$26 million over the 2019-2024 period.

**Environmental Dispute Resolution Fund.** From 2020 through 2023, S. 1345 would authorize the annual appropriation of \$3 million for operating costs and \$1 million for services to support federal and nonfederal entities in environmental conflict resolution

proceedings that involve federal agencies. CBO estimates that implementing those provisions would cost \$16 million over the 2020-2024 period. The Congress appropriated \$3 million to the EDRF in 2019.

**Udall Trust Fund.** Appropriations to the trust fund are invested in Treasury obligations, with some of the appropriated funds spent during the year to support the Native Nations Institute for Leadership, Management, and Policy. The balance of the appropriation remains in the fund and annual interest credited to the fund is available without future appropriation to support various scholarship and fellowship programs.

S. 1345 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 authorize 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. 1345 would permanently authorize the appropriation of whatever amounts are necessary to the trust fund.

The Congress appropriated \$2 million to the trust fund to invest in Treasury obligations for fiscal year 2019. Assuming appropriation of a similar amount for 2020, and increasing that amount for expected inflation in future years, CBO estimates that the bill would authorize the appropriation of \$10 million over the 2019-2024 period; the resulting outlays would total the same amount over that period.

**Inspector General.** In addition, the bill would require the Inspector General of the Department of the Interior to conduct an audit of the foundation's finances. Using information about the costs of audits of similar size and scope, CBO estimates that satisfying the audit requirement in S. 1345 would cost less than \$500,000.

### **Direct Spending**

CBO estimates that enacting S. 1345 would increase direct spending by \$2 million over the 2019-2029 period.

**Udall Trust Fund.** The bill would authorize additional appropriations to the trust fund, which would be invested in Treasury obligations. The interest earned is later spent on 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. 1345 would authorize the appropriation of \$20 million over the 2019-2029 period for the trust fund to invest in Treasury obligations. Based on CBO's projections of interest rates that underlie CBO's May baseline, CBO estimates that the trust fund would earn, and subsequently spend, an additional \$2 million over the 2019-2029 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; those receipts are treated as reductions in direct spending. The institute can subsequently spend those receipts on additional activities without further appropriation. Because CBO expects that those receipts are likely to be spent shortly after they are collected, we estimate that enacting S. 1345 would result in a negligible net effect on direct spending by the EDRF.

### **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. 1345 would increase direct spending by an insignificant amount in each fiscal year from 2020 to 2029 and by \$2 million over the 2020-2029 period, as shown in Table 1.

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

CBO estimates that enacting S. 1345 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2030.

### **Mandates**

S. 1345 contains no intergovernmental or private-sector mandates as defined by the Unfunded Mandates Reform Act.

### **Estimate Prepared By**

Federal Costs: Justin Humphrey and Jon Sperl

Mandates: Lilia Ledezma

### **Estimate Reviewed By**

Sheila Dacey  
Chief, Income Security and Education Cost Estimates Unit

Kim Cawley  
Chief, Natural Resources Cost Estimates Unit

H. Samuel Papenfuss  
Deputy Assistant Director for Budget Analysis