Congressional Budget Office
Cost Estimate

September 26, 2019

At a Glance

H.R. 1225, Restore Our Parks and Public Lands Act

As ordered reported by the House Committee on Natural Resources on June 26, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	1,490	6,369
Revenues	0	0	0
Deficit Effect	0	1,490	6,369
Spending Subject to Appropriation (Outlays)	0	0	0

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?	< $5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- Deposit up to 50 percent of annual federal receipts—capped at $1.3 billion—from energy leases on federal lands into a new fund to complete deferred-maintenance projects at facilities administered by the Department of the Interior (DOI)
- Require DOI to identify those projects as part of the President's annual budget request

Estimated budgetary effects would primarily stem from

- Hiring additional staff for project management, planning, and design
- Funding transportation, water and utility, and restoration and reconstruction projects

Detailed estimate begins on the next page.

See also *CBO's Cost Estimates Explained*, www.cbo.gov/publication/54437;
How CBO Prepares Cost Estimates, www.cbo.gov/publication/53519; and *Glossary*, www.cbo.gov/publication/42904.

Bill Summary

H.R. 1225 would establish the National Park Service and Public Lands Legacy Restoration Fund within the Department of the Treasury. For each fiscal year over the 2020-2024 period, up to 50 percent of all receipts collected from onshore and offshore energy development on public lands and waters would be deposited into the fund, not to exceed $1.3 billion in any year. Deposited funds, including cash donations to the fund, would be available to the Department of the Interior without further appropriation.

Under H.R. 1225, the fund's unspent amounts could be invested in Treasury securities; the income would be available for expenditure without further appropriation. DOI also would be required to include in its annual budget request a list and description of the projects it plans to pursue.

Estimated Federal Cost

The estimated budgetary effect of H.R. 1225 is shown in Table 1. The costs of the legislation fall within budget function 300 (natural resources and the environment).

Table 1.
Estimated Direct Spending Under H.R. 1225

	By Fiscal Year, Millions of Dollars												
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2019-2024	2019-2029
Estimated Budget Authority	0	1,300	1,324	1,347	1,365	1,377	90	66	46	27	13	6,713	6,955
Estimated Outlays	0	0	78	218	447	747	1,034	1,179	1,108	924	634	1,490	6,369

Basis of Estimate

For this estimate, CBO assumes that the legislation will be enacted near the end of 2019. CBO estimates that enacting H.R. 1225 would cost $6.4 billion over the 2019-2029 period.

Revenues from Energy Leases

In its May 2019 baseline, CBO projects that gross offsetting receipts from onshore and offshore leases will total about $9 billion annually and $46 billion over the 2020-2024 period. CBO estimates that approximately 51 percent of the gross receipts collected in 2020 will be distributed to states or allocated for other purposes under current law. Although that percentage could change, CBO anticipates that there will be more than the bill's limit of $1.3 billion available, so that the maximum amount would be deposited each year.

Interest on Treasury Investments

H.R. 1225 would authorize DOI to invest unspent balances in Treasury securities; any interest earned would be available for expenditure from the fund. Based on the interest rate projections underlying CBO's May 2019 baseline, CBO estimates that enacting the bill would result in an additional $455 million being credited to the fund over the 2019-2029 period.

Pace of Spending

CBO expects that under H.R. 1225, amounts deposited into the fund at the end of each fiscal year effectively would not be available for spending until the following year. Thus, CBO does not estimate any spending under the bill in 2020.

H.R. 1225 would require funds to be allocated as follows:

- Eighty percent to the National Park Service (NPS) for deferred maintenance, split equally between transportation and nontransportation projects,
- Ten percent to the U.S. Fish and Wildlife Service (USFWS) to address the maintenance backlog in the national wildlife refuge system,
- Five percent to the Bureau of Land Management to address a backlog in public access and recreation projects, and
- Five percent to the Bureau of Indian Education for school construction and deferred maintenance.

Administrative costs would be capped at 10 percent of total annual spending; other spending limitations are included in the bill.

Using information from the NPS and USFWS about how the funds might be used, CBO anticipates that those agencies would primarily focus in the first year on hiring staff for project management, planning, and design. Subsequent funding, CBO anticipates, would go to small- to large-scale projects for transportation, water and utilities, and restoration and reconstruction. The cost of individual projects would depend on their type and scale.[1] Based on historical spending patterns, CBO estimates that spending from the fund would be slow in the early years and would peak over the 2024-2028 period as larger projects are completed. (According to the NPS, most projects last between 3½ and 5 years.) Although most currently identified projects would be completed by 2029, CBO anticipates that DOI would continue to spend amounts in the fund after that.

1. One larger deferred-maintenance project is construction and repairs along the George Washington Memorial Parkway near Washington, D.C., estimated in 2015 at about $475 million. See Government Accountability Office, *National Park Service: Process Exists for Prioritizing Asset Maintenance Decisions, but Evaluation Could Improve Efforts*, GAO-17-136 (December 2016), www.gao.gov/products/GAO-17-136. Smaller projects include rehabilitating a flood protection levee at the Don Edwards San Francisco Bay National Wildlife Refuge ($6 million) and replacing a deficient visitor center and water treatment center at Wrangell-Saint Elias National Park and Preserve ($3 million). More information about such projects can be found at the Department of the Interior, *Budget Justifications and Performance Information: Fiscal Year 2020*, Department of the Interior, www.doi.gov/budget/appropriations/2020.

Donations

H.R. 1225 would authorize DOI to accept cash donations to the fund; such collections are treated as reductions in direct spending and also would be available for spending without further appropriation. CBO expects that any donations would be offset by expenditures, and the net effect on direct spending would be negligible over the 2019-2029 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. 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. 1225 would not increase on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2030.

Mandates: None.

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