

At a Glance

S. 886, Indian Water Rights Settlement Extension Act

As ordered reported by the Senate Committee on Indian Affairs on July 17, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	0	74	157
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	74	157
Spending Subject to Appropriation (Outlays)	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

* = between zero and \$500,000.

The bill would

- Increase the amounts authorized to be appropriated to implement the Aamodt Water Settlement by \$157 million (including adjustments to account for inflation)
- Appropriate \$120 million to the Reclamation Water Settlements fund each year from 2030 through 2039
- Require the Department of Agriculture to study the plan developed by Kickapoo Tribe to resolve their water rights claims and to recommend changes to that plan

Estimated budgetary effects would primarily stem from

- Expenditures from the Reclamation Water Settlements fund to implement the Aamodt Water Settlement

Detailed estimate begins on the next page.

Bill Summary

S. 886 would increase the maximum authorized amount available to implement the Aamodt Water Settlement by \$137 million plus expected inflation. The bill also would appropriate \$1.2 billion after 2029 to the Reclamation Water Settlements fund for future Indian water settlements.¹ Finally, the bill would direct the Department of Agriculture to study and recommend changes to the plan developed by the Kickapoo Tribe to resolve their water rights claims.

Estimated Federal Cost

The estimated budgetary effect of S. 886 is shown in Table 1. The costs of the legislation fall within budget function 300 (natural resources and environment).

Table 1.
Estimated Direct Spending Under S. 886

	By Fiscal Year, Millions of Dollars										2020-2024	2020-2029
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	0	15	17	17	25	28	40	13	2	0	74	157

The increase in direct spending shown in the table would result in an equivalent decrease after 2029 because the amounts that would be spent for the Aamodt Water Settlement under the bill would otherwise have been spent after 2029.

S. 886 would also appropriate \$120 million to the Reclamation Water Settlements fund each year from 2030 to 2039. The provision would increase direct spending after 2029 by \$1.2 billion plus any interest that would accrue on unspent balances in the fund that also would be available to spend.

Basis of Estimate

For this estimate, CBO assumes that S. 886 will be enacted near the end of 2019. S. 886 would increase the maximum amount that could be spent for the Aamodt Water Settlement and would require the water distribution facilities for that settlement to be substantially complete by 2028. Because the bill does not specify how much would be needed in each year to meet that schedule, CBO has estimated the necessary amounts for each year using information from the Bureau of Reclamation (BOR).

Direct Spending

Enacting the bill would increase direct spending by \$157 million over the 2019-2029 period and would decrease direct spending by an equivalent amount after 2029. CBO does not estimate any increased budget authority over the 2020-2029 period because the money that would be spent has already been provided.

1. As of 2019, 36 Indian water settlements have been federally approved, with total estimated costs—mostly for construction of new distribution facilities—in excess of \$5.8 billion. See Charles V. Stern, *Indian Water Rights Settlements*, CRS Report R44148 (Congressional Research Service, April 16, 2019), <https://go.usa.gov/xVGuq>.

In addition, the bill would appropriate \$1.2 billion for Indian water settlements over the 2030-2039 period.

Aamodt Water Settlement. S. 886 would increase the maximum amount authorized to be spent by BOR to construct water distribution facilities for the Aamodt Water Settlement by \$157 million—\$137 million specified in the bill plus an estimated \$20 million to account for inflation. By increasing the amounts authorized for that project, CBO expects that the \$157 million needed for constructing those facilities would be spent from the Reclamation Water Settlements Fund without further appropriation over the next 10 years. That fund was established to pay for authorized settlements. Under current law, the Aamodt Water Settlement was identified as a priority project that will receive amounts from the fund if annual appropriations are insufficient to meet the requirements of the settlement.

Under current law, CBO estimates that about \$900 million will be spent from the fund for settlements over the next 10 years and the remaining balance of about \$500 million will be spent after 2029. Under the bill, a portion of that \$500 million balance would be needed sooner and would be expended before 2029 to pay for the Aamodt Water Settlement. CBO estimates that implementing those provisions would increase direct spending by \$157 million over the 2020-2029 period. There would be an equivalent decrease in direct spending after 2029.

Reclamation Water Settlements Fund. S. 886 would appropriate an additional \$120 million each year from 2030 to 2039 to fund future Indian water settlements. The bill also would extend the fund's termination date from 2034 to 2044. CBO estimates that enacting those provisions would increase direct spending by at least \$1.2 billion; that amount does not include the interest that would accrue on unspent balances in the fund that also would be available to spend after 2029 before the fund is terminated in 2044.

Spending Subject to Appropriation

S. 886 would direct the Department of Agriculture and other federal agencies to study the Upper Delaware and Tributaries Watershed Plan developed by the Kickapoo Tribe and other interested parties in the state of Kansas. The agencies would be directed to study the multipurpose dam described in that plan and recommend changes as necessary to achieve an equitable water settlement for the Kickapoo Tribe and other parties. CBO estimates that the cost of preparing the study would be insignificant.

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 S. 886 would increase net direct spending by about \$1 billion over the 2030-2039 period. However, enacting the bill 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.

Estimate Prepared By

Federal Costs: Aurora Swanson

Mandates: Rachel Austin

Estimate Reviewed By

Kim P. Cawley
Chief, Natural and Physical Resources

H. Samuel Papenfuss
Deputy Assistant Director for Budget Analysis