

At a Glance

S. 1081, Land and Water Conservation Fund Permanent Funding Act

As ordered reported by the Senate Committee on Energy and Natural Resources on November 19, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	275	2,975	7,225
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	275	2,975	7,225
Spending Subject to Appropriation (Outlays)	0	*	not estimated
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

- 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

S. 1081 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 (LWCF) 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 S. 1081, 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 S. 1081 is shown in Table 1. The costs of the legislation fall within budget function 300 (natural resources and the environment).

Table 1.
Estimated Increases in Direct Spending Under S. 1081

	By Fiscal Year, Millions of Dollars										2020-2024	2020-2029	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029			
Estimated Budget Authority	23,012	900	900	900	900	900	900	900	900	900	900	26,612	31,112
Estimated Outlays	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 surplus property sales. Since its establishment in 1965, more than \$40 billion has been credited to the LWCF.¹ 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 2020, the Congress appropriated a total of \$495 million from the LWCF to those agencies. At the beginning of fiscal year 2020, \$22.1 billion in unappropriated balances was 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 is available to be spent without further appropriation on a state grant program that is administered by the National Park Service, which is within DOI. CBO estimates that about \$119 million will be deposited annually over the 2020-2029 period from that source.

1. See Carol Hardy Vincent, *Land and Water Conservation Fund: Overview, Funding History, and Issues*, CRS Report RL33531 (Congressional Research Service, June 19, 2019), <https://go.usa.gov/xd3QZ>.

New Budget Authority

CBO assumes that S. 1081 will be enacted before the end of fiscal year 2020. Under the bill, \$22.1 billion in unappropriated balances in the LWCF 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 S. 1081 would make about \$23 billion available by the end of 2020 and an additional \$900 million each year thereafter.

Pace of Spending

S. 1081 would require the President to propose annual spending allocations from the LWCF. The Congress could provide alternative allocations in appropriation acts, otherwise the President’s allocations would stand.

CBO cannot predict how funds would ultimately be allocated under the bill. However, using 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.² (Discretionary appropriations from the LWCF averaged about \$425 million 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 2.

Table 2.
CBO’s Estimate of the Statutory Pay-As-You-Go Effects of S. 1081, the Land and Water Conservation Fund Permanent Funding Act, as Ordered Reported by the Senate Committee on Energy and Natural Resources on November 19, 2019

	By Fiscal Year, Millions of Dollars										2020-2024	2020-2029
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		
	Net Increase in the Deficit											
Pay-As-You-Go Effect	275	500	675	750	775	800	825	850	875	900	2,975	7,225

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 Acquisition Status* (January 12, 2016), <https://go.usa.gov/xd3Qk>.

Increase in Long-Term Deficits

CBO estimates that enacting S. 1081 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.

Previous CBO Estimate

On August 20, 2019, CBO transmitted a [cost estimate for H.R. 3195](#), the Land and Water Conservation Fund Permanent Funding Act, as ordered reported by the House Committee on Natural Resources on June 19, 2019. The two pieces of legislation are similar. The cost estimate for H.R. 3195 showed \$22.1 billion would be available in 2020 under the bill—\$21.2 billion in unappropriated balances in the LWCF plus \$0.9 billion that would be made available by the bill at the end of 2020.

Using data from the Department of the Interior, CBO updated the amount of unappropriated LWCF balances that would become permanently available for expenditure under the bill from \$21.2 billion (the amount in the estimate for H.R. 3195) to \$22.1 billion (the amount in this estimate of S. 1081). Thus the amount that would be available in 2020 under S. 1081 would be \$23.0 billion—\$22.1 billion in unappropriated balances in the LWCF plus \$0.9 billion that would be made available by the bill at the end of 2020. Although that change increased the amount of budget authority available under S. 1081, estimated outlays over the 2020-2029 period are the same for both pieces of legislation.

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