Congressional Budget Office
Cost Estimate

August 29, 2023

H.R. 2989, Save Our Sequoias Act

As ordered reported by the House Committee on Natural Resources on May 17, 2023

By Fiscal Year, Millions of Dollars	2023	2023-2028	2023-2033
Direct Spending (Outlays)	0	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	0	113	205

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2034?	No	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 2034?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = between -$500,000 and $500,000.

H.R. 2989 would authorize the Department of the Interior (DOI) and the Department of Agriculture (USDA) to jointly carry out forest protection and rehabilitation projects in Northern California. The projects would be conducted by the National Park Service (NPS), the Bureau of Land Management (BLM), and the Forest Service in and near giant sequoia groves on federal, state, local, tribal, and private land.

Specifically, the bill would:

- Direct DOI and USDA to enter into or expand current stewardship agreements with one another, California, and the Tule River Indian Tribe for management and conservation of the giant sequoias;
- Codify and set duties for the existing Giant Sequoia Lands Coalition (a group of public-sector entities—including the Forest Service, NPS, and BLM—and nongovernmental organizations that work to conserve giant sequoia groves);
- Place federal land in Northern California under an emergency-response designation for seven years and exempt reforestation and protection projects on those lands from certain requirements under environmental laws;

See also
CBO's Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

- Require DOI to develop and implement a reforestation strategy to identify, prioritize, and establish teams of public and private-sector entities to complete reforestation projects; and

- Establish a restoration grant program to fund private, tribal, and local efforts to support giant sequoia health and resiliency.

To carry out those activities, H.R. 2989 would authorize the appropriation of $205 million over the 2024-2030 period and would require at least 90 percent of that amount to be directed toward emergency response projects and restoration grants.

Using historical spending patterns for similar activities, CBO estimates that implementing H.R. 2989 would cost $113 million over the 2023-2028 period and $205 million over the 2023-2033 period. Such spending would be subject to availability of appropriated funds.

The costs of the legislation, detailed in Table 1, fall within budget function 300 (natural resources and environment).

Table 1.
Estimated Budgetary Effects of H.R. 2989

	By Fiscal Year, Millions of Dollars												
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2023-2028	2023-2033
	Increases in Spending Subject to Appropriation												
Estimated Authorization	0	10	25	30	30	30	40	40	0	0	0	125	205
Estimated Outlays	0	7	19	27	30	30	37	39	12	4	0	113	205

Enacting the bill also would affect direct spending by between -$500,000 and $500,000 over the 2024-2033 period.

In addition to authorizing appropriations as discussed above, enacting H.R. 2989 would make changes that would, in CBO's estimation, affect direct spending by negligible amounts.

H.R. 2989 would authorize Indian tribes and counties to retain and spend the proceeds of timber sales under cooperative forestry agreements, also known as good neighbor agreements (GNAs). (Under current law, set to expire on October 1, 2023, only states can retain the proceeds from timber sales under GNAs to cover the costs of restoration and protection projects.) BLM and the Forest Service enter into GNAs with states, federally recognized Indian tribes, and counties to carry out forest, rangeland, and watershed restoration and protection projects on federal land. The bill also would extend the authority to retain proceeds until October 1, 2028, for states, tribes, and counties.

In addition, H.R. 2989 would authorize the NPS to enter into GNAs and stewardship contracts with private-sector entities to carry out restoration projects in certain national parks. Under the stewardship contracts, an agency can reduce payments to contractors by an amount equal to the value of timber or other vegetation a contractor would retain.

CBO estimates that enacting those provisions would not affect direct spending because, absent the authority for states and other entities to collect, retain, and spend proceeds from the sale of timber for restoration and protection projects, and for the NPS to enter into stewardship contracts, the timber sales associated with those activities would not occur. (If they did occur, the proceeds would be classified in the federal budget as offsetting receipts, or reductions in direct spending.)

The bill also would require the National Forest Foundation and the National Park Foundation to establish an emergency protection fund for the giant sequoias and would authorize the foundations to accept donations and gifts for deposit into the fund. Any amounts collected would be recorded in the federal budget as offsetting receipts and would be available to spend without further appropriation on the management, conservation, and reforestation of giant sequoias on certain federal land. CBO expects that those funds would be spent soon after receipt; thus, the net effect on direct spending would be negligible. Under the bill, the authority to collect and spend funds for such activities would sunset seven years after enactment.

The CBO staff contact for this estimate is Lilia Ledezma. The estimate was reviewed by Christina Hawley Anthony, Deputy Director of Budget Analysis.

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