

At a Glance

S. 3406, Technical Corrections to the Northwestern New Mexico Rural Water Projects Act, Taos Pueblo Indian Water Rights Settlement Act, and Aamodt Litigation Settlement Act

As ordered reported by the Senate Committee on Indian Affairs on July 25, 2024

By Fiscal Year, Millions of Dollars	2025	2025-2029	2025-2034
Direct Spending (Outlays)	*	3	7
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	3	7
Spending Subject to Appropriation (Outlays)	3	17	18

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2035? **< \$2.5 billion**

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 2035? **< \$5 billion**

Contains intergovernmental mandate?

No

Contains private-sector mandate?

No

* = between zero and \$500,000.

The bill would

- Authorize appropriations to three Indian water rights settlement trust funds

Estimated budgetary effects would mainly stem from

- Spending of the amounts authorized to be appropriated
- Spending of interest that is credited to the trust funds

Detailed estimate begins on the next page.

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)

Bill Summary

S. 3406 would amend the Omnibus Public Land Management Act of 2009 to authorize the appropriation of specific amounts totaling \$18 million for three trust funds that are credited with interest. Specifically, the bill would authorize the appropriation of:

- \$6 million for the Navajo Nation Water Resources Development Trust Fund,
- \$8 million for the Taos Pueblo Water Development Fund, and
- \$4 million for the Aamodt Settlement Pueblos' Fund.

Estimated Federal Cost

The estimated budgetary effect of S. 3406 is shown in Table 1. The costs of the legislation fall within budget function 300 (natural resources and environment).

Table 1. Estimated Budgetary Effects of S. 3406												
By Fiscal Year, Millions of Dollars											2025-	2025-
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2029	2034
Increases in Spending Subject to Appropriation												
Authorization	18	0	0	0	0	0	0	0	0	0	18	18
Estimated Outlays	3	4	5	3	2	1	0	0	0	0	17	18
Increases in Direct Spending												
Estimated Budget Authority	*	*	2	1	1	*	2	1	1	1	4	9
Estimated Outlays	*	*	*	1	2	*	1	1	1	1	3	7

* = between zero and \$500,000.

Basis of Estimate

For this estimate, CBO assumes that the bill will be enacted before the end of calendar year 2024 and that the authorized amounts will be appropriated in 2025.

Spending Subject to Appropriation

The bill would authorize the appropriation of specific amounts to three trust funds. Based on historical spending patterns, CBO estimates that implementing S. 3406 would cost \$17 million over the 2025-2029 period and \$1 million after 2029, assuming appropriation of the authorized amounts.

Direct Spending

Any appropriations to the three trust funds would be invested in Treasury obligations, including those that would be authorized by S. 3406. Those trust funds are credited with

interest based on the value of the Treasury obligations they hold. Because that credited interest can be spent on the trust funds' activities without further appropriation, that spending is classified as direct spending.

Based on the projection of interest rates that underlie CBO's baseline, CBO estimates that the trust funds would be credited with \$9 million and subsequently spend \$7 million over the 2025-2034 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 Net Direct Spending and Deficits

CBO estimates that enacting S. 3406 would not increase net direct spending by more than \$2.5 billion in any of the four consecutive 10-year periods beginning in 2035.

CBO estimates that enacting S. 3406 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2035.

Mandates

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

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A handwritten signature in black ink that reads "Phillip L. Swagel" followed by a flourish and the number "107".

Phillip L. Swagel
Director, Congressional Budget Office