



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 3, 2018

H.R. 3764 **Little Shell Tribe of Chippewa Indians** **Restoration Act of 2018**

As ordered reported by the House Committee on Natural Resources on July 11, 2018

SUMMARY

H.R. 3764 would provide federal recognition to the Little Shell Tribe of Chippewa Indians of Montana. Federal recognition would make the tribe eligible to receive benefits from various federal programs.

CBO estimates that implementing this legislation would cost \$37 million over the 2019-2023 period, assuming appropriation of the necessary amounts. Enacting H.R. 3764 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 3764 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 3764 would impose an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) by exempting some lands from taxation by state and local governments, but CBO estimates the cost of the mandate would be small and well below the threshold established in that act (\$80 million in 2018, adjusted annually for inflation).

H.R. 3764 contains no private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 3764 is shown in the following table. The costs of the legislation fall within budget functions 450 (community and regional development) and 550 (health).

	By Fiscal Year, in Millions of Dollars						2019- 2023
	2018	2019	2020	2021	2022	2023	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION							
Department of the Interior							
Estimated Authorization Level	0	3	3	3	4	4	17
Estimated Outlays	0	2	3	3	4	4	16
Indian Health Service							
Estimated Authorization Level	0	4	4	4	4	5	22
Estimated Outlays	0	4	4	4	4	5	21
Total Changes							
Estimated Authorization Level	0	7	7	8	8	8	39
Estimated Outlays	0	6	7	7	8	9	37

Components may not sum to totals because of rounding.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 3764 will be enacted near the end of 2018 and that the necessary amounts will be appropriated for each year beginning in 2019.

Providing federal recognition to the Little Shell Tribe of Chippewa Indians of Montana would allow the tribe and about 2,600 tribal members to receive benefits under various programs administered by the Department of the Interior (DOI) and the Indian Health Service (IHS). Based on the average per capita expenditures by those agencies for other Indian tribes, CBO estimates that implementing H.R. 3764 would cost \$37 million over the 2019-2023 period.

Department of the Interior

DOI, primarily through the Bureau of Indian Affairs, provides funding to federally recognized tribes for various purposes, including child welfare services, adult care, community development, and general assistance. Based on current per capita expenditures of around \$1,200 for other federally recognized tribes in the central states and accounting for anticipated inflation, CBO estimates that providing those services would cost \$16 million over the 2019-2023 period.

Indian Health Service

H.R. 3764 also would make members of the tribe eligible for health benefits. Using information from the IHS, CBO estimates that about 55 percent of the tribe's members—or about 1,400 people—would receive benefits each year. CBO expects that the per capita cost would be similar to the costs for current IHS beneficiaries—about \$2,680 in 2017. Accounting for anticipated inflation, CBO estimates, providing those benefits would cost \$21 million over the 2018-2022 period.

Other Federal Agencies

In addition to DOI and IHS funding, certain Indian tribes also receive support from other federal programs within the Departments of Agriculture, Education, Housing and Urban Development, and Labor. Because the tribe is currently recognized by the state of Montana, it already receive funding from those departments. Thus, CBO estimates that enacting H.R. 3764 would not increase costs for that support.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 3764 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

MANDATES

H.R. 3764 contains an intergovernmental mandate as defined in UMRA because it would authorize the Secretary of Interior to acquire and take into trust 200 acres of land for the Little Shell Tribe. Because that land would be exempt from state and local taxes, the provision would impose an intergovernmental mandate. Given the small amount of land, CBO estimates that the forgone tax revenue to state and local governments would be small and well below the threshold established for intergovernmental mandates (\$80 million in 2018, adjusted annually for inflation).

H.R. 3764 contains no private-sector mandates as defined in UMRA.

PREVIOUS CBO ESTIMATE

On February 21, 2017, CBO transmitted an estimate for S. 39, the Little Shell Tribe of Chippewa Indians Restoration Act of 2017, as ordered reported by the Senate Committee on Indian Affairs on February 8, 2017. The two bills are similar and the differences in CBO's estimates of their costs stem from the different periods for which the costs were estimated.

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