



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

January 17, 2012

S. 546

Little Shell Tribe of Chippewa Indians Restoration Act of 2011

As ordered reported by the Senate Committee on Indian Affairs on July 28, 2011

SUMMARY

S. 546 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 \$81 million over the 2012-2017 period, assuming appropriation of the necessary funds. Enacting S. 546 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 546 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 expects the cost of that mandate to be small and well below the threshold established in that act (\$73 million in 2012, adjusted annually for inflation).

S. 546 contains no private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 546 is shown in the following table. The costs of this legislation fall within budget functions 450 (community and regional development) and 550 (health).

	By Fiscal Year, in Millions of Dollars						2012- 2017
	2012	2013	2014	2015	2016	2017	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION							
Bureau of Indian Affairs							
Estimated Authorization Level	3	3	3	3	3	3	18
Estimated Outlays	2	3	3	3	3	3	17
Indian Health Service							
Estimated Authorization Level	11	11	11	12	12	13	70
Estimated Outlays	5	11	11	12	12	13	64
Total Changes							
Estimated Authorization Level	14	14	14	15	15	16	88
Estimated Outlays	7	14	14	15	15	16	81

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 546 will be enacted in fiscal year 2012 and that the amounts necessary to implement the bill will be appropriated for each year.

The bill would provide federal recognition to the Little Shell Tribe of Chippewa Indians of Montana. Such recognition would allow members of the tribe, totaling about 4,300 people, to receive benefits from various programs administered by the Bureau of Indian Affairs (BIA) and the Indian Health Service (IHS). Based on the average per capita expenditures by those agencies for other Indian tribes, CBO estimates that implementing S. 546 would cost \$81 million over the 2012-2017 period, assuming appropriation of the necessary funds.

Bureau of Indian Affairs

BIA provides funding to federally recognized tribes for various purposes, including child welfare services, adult care, community development, and general assistance. In total, CBO estimates that providing BIA services would cost \$17 million over the 2012-2017 period, assuming appropriation of the necessary funds. This estimate is based on per capita expenditures for other federally recognized tribes located in the central United States.

Indian Health Service

S. 546 also would make members of the tribes eligible to receive health benefits from the IHS. Based on information from the IHS, CBO estimates that about 55 percent of tribal

members—or about 2,400 people—would receive benefits each year. CBO assumes that the cost to serve those individuals would be similar to funding for current IHS beneficiaries—about \$3,500 per individual in 2011. Assuming appropriation of the necessary funds and adjusting for anticipated inflation, CBO estimates that IHS benefits for the tribes would cost \$64 million over the 2012-2017 period.

Other Federal Agencies

In addition to BIA and IHS funding, certain Indian tribes also receive support from other federal programs within the Departments of Education, Housing and Urban Development, Labor, and Agriculture. Based on their status as a tribe recognized by the state of Montana, the tribe is already eligible to receive funding from those departments. Thus, CBO estimates that implementing S. 546 would not add to the costs of those programs.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 546 contains an intergovernmental mandate as defined in UMRA. The bill would authorize the Secretary of the Interior to acquire and take into trust 200 acres of land for the 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 to be taken into trust, CBO estimates that the forgone tax revenue to state and local governments would be small and well below the threshold established for intergovernmental mandates (\$73 million in 2012, adjusted annually for inflation).

ESTIMATED IMPACT ON THE PRIVATE SECTOR

S. 546 contains no private-sector mandates as defined in UMRA.

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