



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 8, 2004

### **S. 1996** **Oglala Sioux Tribe Angostura Irrigation Project** **Rehabilitation and Development Act**

*As ordered reported by the Senate Committee on Indian Affairs on June 23, 2004*

#### **SUMMARY**

S. 1996 would authorize the appropriation of \$4.66 million for the Bureau of Reclamation to modernize the irrigation facilities of the Angostura Unit, which is a part of the Pick-Sloan Missouri River Basin Program. In addition, the bill would allow the Oglala Sioux Tribe to use any water saved through the modernization effort for environmental restoration on the tribe's reservation. CBO estimates that modernizing the irrigation facilities would cost about \$5 million over the 2005-2007 period, assuming appropriation of the authorized funds.

S. 1996 also would compensate the Oglala Sioux Tribe for the damage caused by the Angostura Dam operated by the Bureau of Reclamation on the Cheyenne River. CBO estimates that enacting this provision would have no significant impact on the federal budget over the 2004-2014 period; however, it would increase direct spending by an estimated \$158 million in 2015. Enacting the bill would not affect revenues.

S. 1996 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. The funds authorized by this bill would benefit the Oglala Sioux Tribe, and any costs to fulfill the requirements associated with those funds would be incurred voluntarily.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 1996 is shown in the following table. The costs of this legislation fall within budget functions 450 (community and regional development) and 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars				
	2005	2006	2007	2008	2009
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION<sup>a</sup></b>					
Authorization Level	5	0	0	0	0
Estimated Outlays	3	1	1	0	0

a. Enactment of S. 1996 also would increase direct spending by \$158 million in 2015.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that S. 1996 will be enacted near the end of fiscal year 2004 and that the authorized amount will be appropriated in fiscal year 2005.

### **Spending Subject to Appropriation**

This bill would authorize the appropriation of \$4.66 million to modernize the irrigation facilities of the Angostura Unit. Based on historical spending of similar projects, CBO estimates that implementing the modernization project authorized by S. 1996 would cost about \$5 million over the 2005-2007 period, assuming appropriation of the authorized funds.

### **Direct Spending**

S. 1996 would provide compensation to the Oglala Sioux Tribe for the damage caused by the Angostura Dam on the Cheyenne river 20 miles upstream from the tribe's reservation. The bill would establish the Oglala Sioux Tribe Development Trust Fund and would direct the Secretary of the Treasury to deposit a total of \$92.5 million into interest-bearing accounts to benefit the tribes on the first day of the 11th fiscal year that begins after the date of enactment. An additional deposit equal to the amount of interest that the fund would have earned if the fund had been capitalized and invested in 2005 would be made at the same time. CBO estimates that this additional payment would be \$65 million, for a total deposit of \$158 million in 2015. Starting in 2015, the bill would allow the tribes to spend earnings on amounts in the fund pursuant to a tribal spending plan.

Payments to certain trust funds that are held and managed in a fiduciary capacity by the federal government on behalf of Indian tribes are treated as payments to a nonfederal entity. As a result, CBO expects that the entire amount deposited to the fund in 2015 would be

recorded as budget authority and outlays in that year. Because the trust funds would be nonbudgetary, the subsequent use of such funds by the tribe would not affect federal outlays.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 1996 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The funds authorized by this bill would benefit the Oglala Sioux Tribe, and any costs to fulfill the requirements associated with those funds would be incurred voluntarily.

### **ESTIMATE PREPARED BY:**

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