



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 29, 2009

### **S. 1735 Lumbee Recognition Act**

*As ordered reported by the Senate Committee on Indian Affairs on October 22, 2009*

#### **SUMMARY**

S. 1735 would provide federal recognition to the Lumbee Tribe of North Carolina, thereby making the tribe eligible to receive funding from various federal programs. CBO estimates that implementing this legislation would cost \$786 million over the 2010-2014 period, assuming appropriation of the necessary funds. Enacting S. 1735 would not affect direct spending or revenues.

S. 1735 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.

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

The estimated budgetary impact of S. 1735 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					2010-
	2010	2011	2012	2013	2014	2014
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Bureau of Indian Affairs						
Estimated Authorization Level	28	29	29	30	30	146
Estimated Outlays	21	28	29	30	30	138
Indian Health Service						
Estimated Authorization Level	126	129	132	135	139	661
Estimated Outlays	113	129	132	135	139	648
Total Changes						
Estimated Authorization Level	154	158	161	165	169	807
Estimated Outlays	134	157	161	165	169	786

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that S. 1735 will be enacted early in fiscal year 2010. The bill would provide federal recognition to the Lumbee Tribe of North Carolina. Such recognition would allow the Lumbee, with membership of about 54,000 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 expenditures from those agencies for other Indian tribes, CBO estimates that implementing S. 1735 would cost \$786 million over the 2010-2014 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. A portion of this funding (classified in the BIA budget as tribal priority allocations) is awarded solely on the basis of population in the tribe's service area. (A service area is where BIA services are generally provided.) Based on information from BIA, CBO expects that the Lumbee Tribe would receive approximately \$6 million per year in such funding, assuming that about 75 percent of the total membership lives within the tribe's designated service area. In addition to the tribal priority allocation, the Lumbee Tribe would probably receive BIA funding based on other needs and characteristics of the tribe's members.

In total, CBO estimates that providing BIA services would cost \$138 million over the 2010-2014 period, assuming appropriation of the necessary funds. This estimate is based on per capita expenditures for other federally recognized tribes located in the eastern United States.

### **Indian Health Service**

S. 1735 also would make members of the Lumbee Tribe eligible to receive health benefits from the IHS. Based on information from the IHS, CBO estimates that about 56 percent of tribal members—or about 31,000 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 \$4,000 per individual in 2009. Assuming appropriation of the necessary funds and adjusting for anticipated inflation, CBO estimates that IHS benefits for the Lumbee Tribe would cost \$648 million over the 2010-2014 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 North Carolina, the Lumbee are already eligible to receive funding from those departments. Thus, CBO estimates that implementing S. 1735 would not add to the cost of those programs.

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

S. 1735 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

### **PREVIOUS CBO ESTIMATE**

On April 29, 2009, CBO transmitted a cost estimate for H.R. 31, the Lumbee Recognition Act, as ordered reported by the House Committee on Natural Resources on April 22, 2009. The two bills are very similar, and the CBO cost estimates are the same.

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