



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 31, 2000

S. 1892

An act to authorize the acquisition of the Valles Caldera, to provide for an effective land and wildlife management program for this resource within the Department of Agriculture, and for other purposes

As ordered reported by the House Committee on Resources on May 24, 2000

SUMMARY

Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 1892 would cost the federal government between \$6 million and \$10 million over the next five years. S. 1892 would also affect direct spending; therefore pay-as-you-go procedures would apply. CBO estimates that enacting this legislation would reduce net direct spending by about \$1 million over the 2001-2005 period, but would increase net direct spending by about \$15 million over the 2001-2010 period.

S. 1892 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no significant costs on state, local, or tribal governments. The act could benefit states and the Pueblo of Santa Clara.

MAJOR PROVISIONS OF THE ACT

Title I would authorize the acquisition of the Baca Ranch, a 94,761-acre property in New Mexico. This title also would:

- Establish, upon acquisition of the ranch, the Valles Caldera National Preserve as a unit of the National Forest System;
- Establish the Valles Caldera trust, board of trustees, and fund for administration of the preserve;
- Allow the Forest Service and the Valles Caldera trust (a federal government entity) to collect and spend donations, recreation fees and other charges for use of the ranch; and

- Authorize the appropriation of whatever sums are necessary to operate the ranch over the next 15 years.

Title II would authorize a 10-year program to allow the Secretary of the Interior and the Secretary of Agriculture to sell certain federal lands identified for disposal and use the net proceeds to acquire nonfederal lands.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated impact of S. 1892 on direct spending is shown in the following table. In addition, CBO estimates that implementing S. 1892 would cost \$6 million to \$10 million over the 2001-2005 period, subject to appropriation of the necessary funds, to operate the ranch and build a visitors' center. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars				
	2001	2002	2003	2004	2005
CHANGES IN DIRECT SPENDING					
Additional Receipts From Sale of Federal Lands					
Estimated Budget Authority	-2	-3	-5	-8	-9
Estimated Outlays	-2	-3	-5	-8	-9
Increase in Direct Spending					
Estimated Budget Authority	1	1	6	8	10
Estimated Outlays	1	1	6	8	10
Net Change in Direct Spending					
Estimated Budget Authority	-1	-2	1	0	1
Estimated Outlays	-1	-2	1	0	1

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that S. 1892 will be enacted before the end of fiscal year 2000. Estimates for the cost of title I are based on information provided by the Forest Service and the current manager of the Baca Ranch. Estimates for the cost of title II are based on information from the Bureau of Land Management (BLM).

Direct Spending

Title I would authorize the Forest Service and the Valles Caldera trust to collect and spend donations and fees from the use of the ranch. CBO estimates that net direct spending in each fiscal year as a result of this provision would not be significant. Most of this spending would be to manage grazing, hunting, and other public uses of the land, which we estimate would cost about \$2 million annually. This amount would be offset by grazing, hunting, and recreation fees, most of which the Forest Service or the trust would begin collecting immediately.

Under current law, net receipts of about \$1.5 million annually from the sale of certain public land administered by the Departments of Agriculture and the Interior are deposited in the Treasury and are unavailable for spending without appropriation. Title II would authorize BLM and the Forest Service to retain those net proceeds and spend them to acquire nonfederal lands within or adjacent to federal property over the next 10 years. Based on information from BLM, CBO expects that BLM land sales would increase under this legislation, generating about \$27 million in additional offsetting receipts over the 2001-2005 period. Those sales receipts would be largely offset by a corresponding increase in direct spending of \$26 million over the same period to purchase new lands. Over the next 10 years, CBO estimates that this provision would result in additional net direct spending of about \$15 million because it would allow spending of land sale receipts expected under current law.

Spending Subject to Appropriation

CBO estimates that the Forest Service would operate the new preserve at a cost of about \$1 million annually including payments to local governments in lieu of property taxes. We expect that the agency also would purchase the subsurface rights to this property, construct visitor facilities, and upgrade some roads. We estimate that these costs would be between \$1 million and \$5 million over the next few years, depending on the level of visitor facilities provided and the final appraisal of subsurface interests. We estimate that purchase of the ranch would not have any additional cost beyond the \$101 million already appropriated for that purpose in 1999.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of

enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	0	-1	-2	1	0	1	2	3	3	4	4
Changes in receipts	Not applicable										

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 1892 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Title I would authorize the Secretary of Agriculture to assign to the Pueblo of Santa Clara rights to purchase a portion of the Baca Ranch from the current owners. The portions of the ranch assigned would be by the mutual agreement of the Secretary and the Pueblo. Lands acquired by the pueblo would be deemed transferred into trust in the name of the United States for the benefit of the pueblo and declared part of the existing Santa Clara Indian Reservation. Any acquisitions by the Pueblo of Santa Clara would be voluntary.

CBO estimates that enacting title II would increase federal payments to states by a total of about \$1 million over the 2001-2005 period. Under current law, states receive a percentage of the proceeds from certain land sold within their boundaries. Enacting title II would likely increase the amount of federal land sold, thereby benefitting the states receiving a portion of the proceeds.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This legislation contains no new private-sector mandates as defined in UMRA.

PREVIOUS CBO ESTIMATE

On April 11, 2000, CBO transmitted a cost estimate for S. 1892 as ordered reported by the Senate Committee on Energy and Natural Resources on April 5, 2000. The two versions of the legislation and our cost estimates are identical.

ESTIMATE PREPARED BY:

Federal Costs: Deborah Reis and Megan Carroll

Impact on State, Local, and Tribal Governments: Victoria Heid Hall

Impact on the Private Sector: Jean T. Wooster

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis