



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

March 11, 1998

**H.R. 2515**  
**Forest Recovery and Protection Act of 1998**

*As ordered reported by the House Committee on Agriculture on March 4, 1998*

**SUMMARY**

H.R. 2515 would direct the Secretary of Agriculture, acting through the Chief of the Forest Service, to implement a nationwide program to restore and protect forest resources on federal land within the National Forest System through recovery projects within identified recovery areas. CBO estimates that enacting H.R. 2515 would decrease direct spending by about \$7 million over the 1999-2003 period. Because H.R. 2515 would affect direct spending, pay-as-you-go procedures would apply. In addition, we estimate that enacting the bill would result in additional discretionary outlays of about \$14 million in fiscal year 1999 and about \$86 million over the 1999-2003 period, assuming appropriation of the estimated amounts.

H.R. 2515 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would impose no costs on state, local, or tribal governments.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 2515 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and the environment). For purposes of this estimate, CBO assumes the bill would be enacted by the start of fiscal year 1999.

	By Fiscal Year, in Millions of Dollars					
	1998	1999	2000	2001	2002	2003

**SPENDING SUBJECT TO APPROPRIATION**

Baseline Spending Under Current Law for Forest and Rangeland Research						
Estimated Authorization Level <sup>a</sup>	188	196	203	211	218	226
Estimated Outlays	187	202	206	211	218	224
Proposed Changes						
Estimated Authorization Level	0	18	18	18	18	18
Estimated Outlays	0	14	18	18	18	18
Spending Under H.R. 2515 for Forest and Rangeland Research						
Estimated Authorization Level	188	214	221	229	236	244
Estimated Outlays	187	216	224	229	234	242

**CHANGES IN DIRECT SPENDING (including Offsetting Receipts)**

Estimated Budget Authority	0	0	-4	-1	-1	-1
Estimated Outlays	0	0	-3	-2	-1	-1

a. The 1998 level is the amount appropriated for that year. The amounts for subsequent years are CBO baseline projections, assuming increases to match anticipated inflation.

**BASIS OF ESTIMATE**

H.R. 2515 would direct the Secretary of Agriculture to implement a nationwide program to restore and protect forest resources on federal land within the National Forest System through recovery projects. The implementation date for the nationwide program would be January 15, 2000 (or the first day of the nineteenth full month following enactment, whichever is later). The bill also would direct the Secretary to begin advance recovery projects during the 18-month period beginning on the date of enactment. The bill would require the Secretary to report to the Congress annually on the recovery project program.

H.R. 2515 would establish a Forest Recovery and Protection Fund to be available to the Secretary, without further appropriation, to carry out the recovery program until September 30, 2005 (or September 30 of the fifth full fiscal year following the implementation date, whichever is later). The bill would credit to that fund: amounts appropriated to the fund; unobligated amounts in the Roads and Trails Fund; all amounts that would otherwise be deposited to the Roads and Trails Fund after enactment; and the federal share of receipts generated by recovery projects (states would receive 25 percent of such

receipts). The bill would authorize the appropriation of such sums as may be necessary to carry out its provisions.

### **Spending Subject to Appropriation**

The Forest Service has identified about 150,000 sample plots for on-the-ground surveys and a much larger area for aerial surveys in public and private forests. It monitors those areas in order to assess forest conditions. Section 10 of the bill would require the Secretary to inventory and analyze 20 percent of that area each year, to report the results annually to states, and to report every five years on forest health conditions nationwide. Under current law, the Forest Service conducts this type of inventory and analysis on approximately a ten-year cycle, inventorying about 10 percent of the inventory area annually. H.R. 2515 would therefore require the Forest Service to inventory and analyze twice the area required under current law. Furthermore, the bill's requirement to inventory areas in each state every year, rather than rotating the inventory among states, would increase administrative and travel costs. CBO estimates that enacting these provisions would increase discretionary outlays by about \$14 million in fiscal year 1999 and by about \$18 million each year thereafter, assuming appropriation of the estimated amounts.

### **Direct Spending (Including Offsetting Receipts)**

Under current law, we estimate that about \$30 million per year of timber receipts will be credited to the Roads and Trails Fund and spent, under permanent authority, to build and maintain roads and trails in the national forest. Under H.R. 2515, those amounts would be credited to the Forest Recovery and Protection Fund each year during the 1999-2005 period and would be available for spending.

The bill also would credit to the new fund the federal share of any receipts generated by recovery projects, after payment of the 25 percent state share. CBO estimates that enacting H.R. 2515 would generate offsetting receipts from recovery projects totaling about \$5 million in fiscal year 2000 and about \$43 million during the 1999-2005 period. We estimate associated payments to states would be about \$1 million per year in fiscal years 2000 and 2001 and about \$2 million per year from 2003 to 2005. The additional receipts, net of payments to states, would be credited to the Forest Recovery and Protection Fund and spent in the following year. Because of the lag between the receipt and the spending of these funds, net outlays would decline slightly, relative to current law. CBO estimates that net outlays would fall by \$7 million over the 2000-2003 period.

## PAY-AS-YOU-GO CONSIDERATIONS

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 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. They would result from changes in spending and offsetting receipts stemming from the establishment of the Forest Recovery and Protection Fund. Enacting H.R. 2515 would not affect governmental receipts. 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.

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	By Fiscal Year, in Millions of Dollars										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	0	0	-3	-2	-1	-1	-1	0	1	0	0
Changes in receipts											

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## ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 2515 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. States generally receive 25 percent of timber receipts from national forests. Because CBO expects that this bill would result in increased timber receipts, we expect that these payments to states would also increase—by about \$1 million in fiscal year 2000 and by about \$10 million over the 2000-2005 period.

## ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill would impose no new private-sector mandates as defined in UMRA.

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