



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

October 10, 2018

**H.R. 4506  
Jobs for Tribes Act**

*As ordered reported by the House Committee on Natural Resources on May 8, 2018*

**SUMMARY**

H.R. 4506 would authorize and amend several programs across the government to encourage job creation and economic activity within Indian communities. The bill would create programs within the Department of Commerce (DOC), Bureau of Indian Affairs (BIA), Department of State, and Department of Health and Human Services.

CBO estimates that implementing H.R. 4506 would cost \$46 million over the 2019-2023 period, assuming appropriation of the necessary amounts.

Enacting H.R. 4506 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 4506 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 4506 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary effect of H.R. 4506 is shown in the following table. The costs of the legislation fall within budget functions 450 (community and regional development) and 150 (international affairs).

	By Fiscal Year, in Millions of Dollars					2019- 2023
	2019	2020	2021	2022	2023	
<b>INCREASES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Department of Commerce						
Estimated Authorization Level	4	4	4	4	4	20
Estimated Outlays	3	4	4	4	4	19
Bureau of Indian Affairs						
Estimated Authorization Level	7	7	8	8	8	38
Estimated Outlays	2	4	6	7	8	27
Total Changes						
Estimated Authorization Level	11	11	12	12	12	58
Estimated Outlays	5	8	10	11	12	46

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes H.R. 4506 will be enacted near the end of 2018 and that the necessary amounts will be appropriated for each year beginning in 2019. Estimated outlays are based on historical spending patterns for similar programs.

### **Department of Commerce**

Section 103 would reorganize the Office of Native American Business Development (ONABD) within DOC. That office would be required to serve as the liaison between DOC and Indian tribes. Current law authorizes the annual appropriation of whatever amounts are necessary for ONABD operations; however, no funds have been specifically appropriated for such purposes since ONABD was originally authorized.

Using information from DOC, CBO estimates that implementing this section would cost \$19 million over the 2019-2023 period. That spending would cover the costs of a Washington, D.C. based director for the office and support staff along with four small regional offices.

### **Bureau of Indian Affairs**

Title II would authorize a grant program to aid development of Native American businesses. The program would be managed by BIA and would involve providing physical workplaces, business skills training, and access to networks of potential

investors, among other services. All grants would be awarded for three-year periods and could be renewed for additional three-year terms.

Using information on the cost of a similar program previously run by the Small Business Administration and accounting for anticipated inflation, CBO estimates that implementing the program would cost \$27 million over the 2019-2023 period.

### **Other Agencies**

Section 305 would authorize the Department of State to provide foreign assistance to facilitate entrepreneurship among indigenous peoples in countries of the Western Hemisphere. The department and the U.S. Agency for International Development currently provide such assistance in several countries, including Colombia, Brazil, Peru, Guatemala, and Paraguay. Although they could increase the amount of that assistance under the bill, CBO has no basis for estimating any such increase.

Section 105 would amend the Native American Programs Act of 1974 to slightly expand the number of institutions eligible for social and economic development grants under that act and to prioritize financial and technical assistance for applicants that seek assistance for certain types of community and economic development. The authorization of appropriations for the social and economic development grant programs under the Native American Programs Act of 1974 expired at the end of fiscal year 2002. However, the Congress has continued to appropriate funds for those programs, including about \$34 million in 2018. The bill would not reauthorize those programs, and CBO estimates that implementing section 105 would have no significant budgetary effects.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

### **INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS**

CBO estimates that enacting H.R. 4506 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

### **MANDATES**

H.R. 4506 contains no intergovernmental or private-sector mandates as defined in UMRA. Tribal governments would benefit from grants established in the bill to support the growth of Native American businesses and Native American entrepreneurs. Any costs to tribal governments would result from complying with conditions of assistance.

## **PREVIOUS CBO ESTIMATES**

Portions of H.R. 4506 are similar to other pieces of legislation for which CBO has published estimates:

- On June 22, 2017, CBO transmitted a cost estimate for S. 1116, the Indian Community Economic Enhancement Act of 2017, as ordered reported by the Senate Committee on Indian Affairs on May 17, 2017. Title I of H.R. 4506 is similar to S. 1116. Differences in CBO's estimates reflect differences in the authorization language in the two pieces of legislation.
- On April 21, 2017, CBO transmitted a cost estimate for S. 607, the Native American Business Incubators Program Act, as ordered reported by the Senate Committee on Indian Affairs on March 29, 2017. Title II of H.R. 4506 is similar to S. 607. Differences in CBO's estimates reflect differences in the authorization language in the two pieces of legislation.

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