**Congressional Budget Office**
Cost Estimate

January 8, 2020

## At a Glance

### S. 500, Restore Our Parks Act

**As ordered reported by the Senate Committee on Energy and Natural Resources on November 19, 2019**

| By Fiscal Year, Millions of Dollars | 2020 | 2020-2024 | 2020-2029 |
|---|---|---|---|
| Direct Spending (Outlays) | 0 | 1,023 | 6,252 |
| Revenues | 0 | 0 | 0 |
| Increase or Decrease (-) in the Deficit | 0 | 1,023 | 6,252 |
| Spending Subject to Appropriation (Outlays) | * | * | * |

| | | | |
|---|---|---|---|
| Statutory pay-as-you-go procedures apply? | Yes | **Mandate Effects** | |
| | | Contains intergovernmental mandate? | No |
| Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030? | < $5 billion | Contains private-sector mandate? | No |

* = between zero and $500,000.

**The bill would**

- Deposit up to 50 percent of annual federal receipts—capped at $1.3 billion—from energy leases on federal lands into a new fund to complete deferred-maintenance projects at facilities administered by the National Park Service (NPS)
- Require the NPS to identify those projects as part of the President's annual budget request

**Estimated budgetary effects would primarily stem from**

- Hiring additional staff for project management, planning, and design
- Funding transportation, water and utility, and restoration and reconstruction projects

**Detailed estimate begins on the next page.**

See also *CBO's Cost Estimates Explained*, www.cbo.gov/publication/54437;
*How CBO Prepares Cost Estimates*, www.cbo.gov/publication/53519; and *Glossary*, www.cbo.gov/publication/42904.

## Bill Summary

S. 500 would establish the National Park Service Legacy Restoration Fund within the Department of the Treasury. For each fiscal year over the 2020-2024 period, 50 percent of all receipts collected from onshore and offshore energy development on public lands and waters would be deposited into the fund, not to exceed $1.3 billion in any year. Deposited funds, including cash donations to the fund, would be available to the National Park Service (NPS) to spend on deferred-maintenance projects without further appropriation.

Under S. 500, the fund's unspent amounts could be invested in Treasury securities; the income would be available for expenditure without further appropriation. The NPS would be required to include in its annual budget request a list and description of the projects it plans to pursue.

## Estimated Federal Cost

The estimated budgetary effect of S. 500 is shown in Table 1. The costs of the legislation fall within budget function 300 (natural resources and the environment).

**Table 1.**
**Estimated Budgetary Effects of S. 500**

| | By Fiscal Year, Millions of Dollars | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2020-2024 | 2020-2029 |
| | **Increases in Direct Spending** | | | | | | | | | | | |
| Estimated Budget Authority | 1,300 | 1,324 | 1,348 | 1,369 | 1,383 | 98 | 75 | 54 | 29 | 16 | 6,724 | 6,996 |
| Estimated Outlays | 0 | 26 | 91 | 288 | 618 | 954 | 1,204 | 1,223 | 1,082 | 766 | 1,023 | 6,252 |

CBO estimates that it would cost the Government Accountability Office less than $500,000 over the 2020-2024 period to study whether the implementation of S. 500 effectively reduced the backlog of the National Park Service's priority deferred-maintenance projects. Such spending would be subject to the availability of appropriated funds.

## Basis of Estimate

For this estimate, CBO assumes that the legislation will be enacted near the beginning of 2020. CBO estimates that enacting S. 500 would cost $6.3 billion over the 2020-2029 period.

### Revenues From Energy Leases

CBO projects that gross offsetting receipts from onshore and offshore leases will total about $9 billion annually and $46 billion over the 2020-2024 period. CBO estimates that approximately 51 percent of the gross receipts collected in 2020 will be distributed to states or allocated for other purposes under current law. Although that percentage could change, CBO anticipates that more than the bill's limit of $1.3 billion will be available and therefore the maximum amount would be deposited each year.

**Interest on Treasury Investments**
S. 500 would authorize the NPS to invest unspent balances in Treasury securities; any interest earned would be available for expenditure from the fund. Based on CBO's most recent interest rate projections, CBO estimates that enacting the bill would result in an additional $496 million being credited to the fund over the 2020-2029 period.

**Pace of Spending**
CBO expects that under S. 500, amounts deposited into the fund at the end of each fiscal year effectively would not be available for spending until the following year. Thus, CBO does not estimate any spending under the bill in 2020. The bill would require the NPS to spend the funds for deferred maintenance projects—65 percent for non-transportation-related projects and 35 percent for transportation-related projects.

Using information from the NPS, CBO anticipates that in the first year, the agency would focus primarily on hiring staff for project management, planning, and design. Subsequent funding would go to small- to large-scale projects for transportation, water and utilities, and restoration and reconstruction. The cost of individual projects would depend on their type and scale.[1] Based on historical spending patterns, CBO estimates that spending from the fund would be slow in the early years and would peak over the 2024-2028 period as larger projects are completed. (According to the NPS, most projects last three and a half to five years.) Although most currently identified projects would be completed by 2029, CBO anticipates that the NPS would continue to spend amounts in the fund after that.

**Donations**
S. 500 would authorize the NPS to accept cash donations to the fund; such collections are treated as reductions in direct spending and those amounts would be available for spending without further appropriation. CBO expects that any donations would be offset by expenditures and that the net effect on direct spending would be negligible over the 2020-2029 period.

1. One larger deferred-maintenance project is construction and repairs along the George Washington Memorial Parkway near Washington, D.C., estimated in 2015 at about $475 million. See Government Accountability Office, *National Park Service: Process Exists for Prioritizing Asset Maintenance Decisions, but Evaluation Could Improve Efforts*, GAO-17-136 (December 2016), www.gao.gov/products/GAO-17-136. Smaller projects include rehabilitating a flood protection levee at the Don Edwards San Francisco Bay National Wildlife Refuge ($6 million) and replacing a deficient visitor center and water treatment center at Wrangell-Saint Elias National Park and Preserve ($3 million). More information about such projects can be found at the Department of the Interior, *Fiscal Year 2020 Budget in Brief*, Department of the Interior (accessed December 19, 2020), www.doi.gov/budget/appropriations/2020.

## Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 2.

**Table 2.**
**CBO's Estimate of the Statutory Pay-As-You-Go Effects of S. 500, the Restore Our Parks Act, as Ordered Reported by the Senate Committee on Energy and Natural Resources on November 19, 2019**

| | By Fiscal Year, Millions of Dollars | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2020-2024 | 2020-2029 |
| | **Net Increase in the Deficit** | | | | | | | | | | | |
| Pay-As-You-Go Effect | 0 | 26 | 91 | 288 | 618 | 954 | 1,204 | 1,223 | 1,082 | 766 | 1,023 | 6,252 |

## Increase in Long-Term Deficits

CBO estimates that enacting S. 500 would not increase on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2030.

**Mandates:** None.

## Previous CBO Estimate

On September 26, 2019, CBO transmitted a cost estimate for H.R. 1225, the Restore Our Parks and Public Lands Act, as ordered reported by the House Committee on Natural Resources on June 26, 2019. CBO's estimates for H.R. 1225 and S. 500 are similar: Both bills would authorize the Department of the Interior to spend $1.3 billion of energy lease revenues each year on deferred-maintenance projects. However, CBO estimates that direct spending would be slightly lower during the 10-year period under S. 500 than under H.R. 1225 because the House bill would authorize spending on deferred maintenance for four federal agencies whereas S. 500 would authorize spending for projects in the NPS alone. CBO estimates a slightly slower pace of spending for the Senate bill than for the House bill; as a result, after 2029 more spending would occur under S. 500 than under H.R. 1225.

**Estimate Prepared By**

Federal Costs: David Hughes (National Park Service)
Kathleen Gramp and Janani Shankaran (energy receipts)

Mandates: Lilia Ledezma

**Estimate Reviewed By**

Kim P. Cawley
Chief, Natural and Physical Resources Cost Estimates Unit

H. Samuel Papenfuss
Deputy Director of Budget Analysis