

### At a Glance

## S. 1251, Growing Climate Solutions Act of 2021

As ordered reported by the Senate Committee on Agriculture, Nutrition, and Forestry on April 22, 2021

By Fiscal Year, Millions of Dollars	2021	2021-2026	2021-2031
Direct Spending (Outlays)	-4	*	*
Revenues	0	*	*
Increase or Decrease (-) in the Deficit	-4	*	*
Spending Subject to Appropriation (Outlays)	0	5	5
Statutory pay-as-you-go procedures apply?	Yes	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

\* = between -\$500,000 and \$500,000.

#### The bill would

- Direct the Department of Agriculture to establish a certification program for private entities that provide technical assistance to farmers, ranchers, and foresters who participate in voluntary markets that trade environmental credits
- Rescind \$4.1 million of budget authority provided by the American Rescue Plan Act of 2021 and, if sufficient unobligated balances are available for rescission, appropriate \$4.1 million for activities under the bill
- Establish civil penalties for false claims by entities
- Authorize the annual appropriation of \$1 million over the 2022-2026 period

#### Estimated budgetary effects would mainly stem from

- The rescission and subsequent appropriation
- Collection of civil penalties
- Spending of the authorized amounts

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

### Bill Summary

S. 1251 would direct the Department of Agriculture (USDA) to establish a program to certify entities that provide technical assistance to and verify the practices of farmers, ranchers, and foresters who participate in voluntary markets that trade credits for reducing greenhouse gases (for example, carbon markets sponsored by private companies). S. 1251 also would require USDA to audit those entities, establish an advisory council for the program, and coordinate with the Environmental Protection Agency to complete a related assessment.

The bill also would rescind up to \$4.1 million of budget authority provided by the American Rescue Plan Act of 2021. In addition, if \$4.1 million is available to rescind, the bill would appropriate that amount for USDA to carry out activities specified under the bill. S. 1251 would establish civil penalties for submitting false information to USDA and would authorize the annual appropriation of \$1 million over the 2022-2026 period.

### Estimated Federal Cost

The estimated budgetary effect of S. 1251 is shown in Table 1. The costs of the legislation fall within budget functions 300 (natural resources and environment) and 350 (agriculture).

<b>Table 1. Estimated Budgetary Effects of S. 1251</b>													
<b>By Fiscal Year, Millions of Dollars</b>												2021-2026	2021-2031
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
<b>Increases or Decreases (-) in Direct Spending</b>													
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	-4	4	0	0	0	0	0	0	0	0	0	*	*
<b>Increases in Revenues</b>													
Estimated Revenues	0	*	*	*	*	*	*	*	*	*	*	*	*
<b>Net Increase or Decrease (-) in the Deficit From Changes in Direct Spending and Revenues</b>													
Effect on the Deficit	-4	4	*	*	*	*	*	*	*	*	*	*	*
<b>Increases in Spending Subject to Appropriation</b>													
Authorization	0	1	1	1	1	1	0	0	0	0	0	5	5
Estimated Outlays	0	1	1	1	1	1	0	0	0	0	0	5	5

\* = between -\$500,000 and \$500,000.

## **Basis of Estimate**

For this estimate, CBO assumes that the legislation will be enacted in fiscal year 2021. Prior to establishing a certification program, S. 1251 would direct USDA to determine that any such program would encourage farmers, ranchers, and private foresters to participate in voluntary environmental credit markets. For this estimate, CBO assumes that USDA would make that determination.

## **Direct Spending**

S. 1251 would rescind up to \$4.1 million from budget authority provided under section 1003 of the American Rescue Plan Act of 2021 (Public Law 117-2); if enough unobligated balances are available to rescind the full amount, the bill would appropriate \$4.1 million to carry out USDA's new technical assistance and verification activities.

Using information from the department, CBO expects that \$4.1 million would be available for rescission upon enactment and that \$4.1 million would thus be appropriated. We estimate that the rescission would reduce direct spending by \$4.1 million in 2021 and that the appropriation would increase direct spending by \$4.1 million over the 2021-2022 period; most of that new appropriation would be spent in 2022. On net, enacting S. 1251 would have a negligible effect on direct spending over the 2021-2031 period.

## **Revenues**

The bill would establish civil penalties, which are classified in the budget as revenues, of \$1,000 per violation for submitting false information to USDA. CBO expects that any such violations would occur infrequently and that the resulting revenues would total less than \$500,000 over the 2021-2031 period.

## **Spending Subject to Appropriation**

S. 1251 would authorize the annual appropriation of \$1 million over the 2022-2026 period. Assuming appropriation of the authorized amounts and based on historical spending patterns for similar activities, CBO estimates that implementing the bill would cost \$5 million over the 2021-2026 period.

## **Uncertainty**

Because the appropriation under the bill would be contingent on the availability of sufficient balances for rescission, the direct spending effects of S. 1251 are uncertain. If, upon enactment, unobligated balances under section 1003 of the American Rescue Plan Act of 2021 are greater than zero but insufficient to rescind the full \$4.1 million, the subsequent appropriation would not be made, and enacting S. 1251 could reduce direct spending by the amount available for rescission.

## 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 and revenues 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. 1251, the Growing Climate Solutions Act of 2021, as Ordered Reported by the Senate Committee on Agriculture, Nutrition, and Forestry on April 22, 2021**

	By Fiscal Year, Millions of Dollars											2021- 2026	2021- 2031	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
	<b>Net Increase or Decrease (-) in the Deficit</b>													
Pay-As-You-Go Effect	-4	4	0	0	0	0	0	0	0	0	0	0	0	0

**Increase in Long-Term Deficits:** None.

**Mandates:** None.

### Estimate Prepared By

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