

### At a Glance

## H.R. 4489, National Forest Restoration and Remediation Act

As ordered reported by the House Committee on Agriculture on October 21, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	*	3	10
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	3	10
Spending Subject to Appropriation (Outlays)	*	*	not estimated

Statutory pay-as-you-go procedures apply?	<b>Yes</b>	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	<b>&lt; \$5 billion</b>	Contains intergovernmental mandate?	<b>No</b>
		Contains private-sector mandate?	<b>No</b>

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

#### The bill would

- Direct the Department of the Treasury to credit interest on unspent collections from forfeitures, judgments, and settlements received by the Forest Service
- Permanently authorize the Forest Service to spend credited interest

#### Estimated budgetary effects would mainly stem from

- Spending of the credited interest

#### Areas of significant uncertainty include

- Estimating the amount of credited interest and the resulting direct spending

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

## Bill Summary

Current law authorizes the Forest Service to spend, without further appropriation, amounts collected from forfeitures, judgments, and settlements for improvement, protection, and rehabilitation of land managed by the agency. H.R. 4489 would direct the Department of the Treasury to credit to the Forest Service interest on unspent balances of those funds and would allow the agency to spend those credited amounts without further appropriation for the purposes listed above and for related assessment work. The bill also would require the Forest Service to report annually on its use of the credited interest.

## Estimated Federal Cost

The estimated budgetary effect of H.R. 4489 is shown in Table 1. The costs of the legislation fall within budget function 300 (natural resources and environment).

**Table 1.**  
**Estimated Budgetary Effects of H.R. 4489**

	By Fiscal Year, Millions of Dollars										2022-2026	2022-2031	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
	<b>Increases in Direct Spending<sup>a</sup></b>												
Estimated Budget Authority	*	*	1	1	1	2	2	1	1	1	3	10	
Estimated Outlays	*	*	1	1	1	2	2	1	1	1	3	10	

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

a. Implementing the bill also would increase spending subject to appropriation by less than \$500,000 over the 2022-2026 period.

## Basis of Estimate

For this estimate, CBO assumes that the legislation will be enacted near the beginning of calendar year 2022.

## Direct Spending

Amounts collected by the Forest Service from forfeitures, judgments, and settlements are recorded in the budget as offsetting receipts, or reductions in direct spending, and are available for spending without further appropriation. The Forest Service currently has nearly \$150 million in unspent collections from a single settlement in 2015.<sup>1</sup> CBO expects that over the next 10 to 15 years those funds will be spent on forest remediation.

Over the past few years, the Forest Service has collected \$10 million annually, on average, from other forfeitures, judgments, and settlements—typically in the aftermath of wildfires.

1. See Environmental Protection Agency, “Case Summary: Tronox Incorporated Bankruptcy Settlement,” (accessed December 3, 2021), <https://go.usa.gov/xepzJ>.

(Those amounts generally are spent on wildfire recovery relatively soon after they are collected.) Using information from the agency, CBO expects that most future collections will result from similar events and will be spent soon after their deposit, and that large settlements, forfeitures, and judgments will occur infrequently.

Using the interest rate projections underlying CBO’s July 2021 baseline and assuming average annual balances of roughly \$120 million over the next 10 years, we estimate that under H.R. 4489 the Treasury would credit the Forest Service with \$10 million in interest over the 2022-2031 period. (That transfer would be considered an intragovernmental transaction and thus would have no effect on the budget.) The bill would allow the Forest Service to spend those credited amounts without further appropriation and CBO expects that the agency would spend any credited interest soon after its accrual, increasing direct spending by \$10 million over the 2022-2031 period.

**Spending Subject to Appropriation**

H.R. 4489 would direct the Forest Service to report annually to the Congress on the proposed uses of credited interest. Based on the costs of similar tasks, CBO estimates that the agency would incur administrative costs of less than \$500,000 over the 2022-2026 period; any spending would be subject to the availability of appropriated funds.

**Uncertainty**

CBO’s estimate of credited interest is uncertain: CBO cannot predict the amount or timing of future forfeitures, judgments, or settlements, or how quickly balances would be spent. Accordingly, the resulting amounts of credited interest and consequent direct spending could be higher or lower than CBO estimates.

**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.

<b>Table 2.</b>													
<b>CBO’s Estimate of the Statutory Pay-As-You-Go Effects of H.R. 4489, the National Forest Restoration and Remediation Act, as Ordered Reported by the House Committee on Agriculture on October 21, 2021</b>													
<b>By Fiscal Year, Millions of Dollars</b>													
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022-2026	2022-2031	
	<b>Net Increase in the Deficit</b>												
Pay-As-You-Go Effect	0	0	1	1	1	2	2	1	1	1	3	10	



## **Increase in Long-Term Deficits**

CBO estimates that enacting H.R. 4489 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2032.

**Mandates:** None.

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