



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

October 27, 2008

**S. 2448
Surface Mining Control and Reclamation Act of 1977
Technical Corrections Act**

*As reported by the Senate Committee on Energy and Natural Resources
on September 16, 2008*

SUMMARY

S. 2448 would require the Office of Surface Mining (OSM) to provide grants to certain states and Indian tribes in the form of direct lump-sum transfers. Under current law, states and tribes receive such funds gradually as they incur expenses for activities that the funds support. In contrast, S. 2448 would provide transfers for the full amount of grant authority each year—simply accelerating the rate at which funds are expended.

CBO estimates that enacting S. 2448 would increase direct spending by \$156 million over the 2009-2013 period and by \$164 million over the 2009-2018 period. The bill would not affect spending subject to appropriation or revenues.

S. 2448 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2448 is shown in the following table. The costs of this legislation fall within budget function 800 (general government).

	By Fiscal Year, in Millions of Dollars											2009-	2009-	
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2013	2018		
DIRECT SPENDING														
Current Law														
Estimated Budget Authority	121	142	184	209	219	223	100	101	103	163	875	1,565		
Estimated Outlays	91	113	142	174	199	214	129	114	106	119	719	1,401		
Proposed Changes														
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0		
Estimated Outlays	30	29	42	35	20	9	-29	-13	-3	44	156	164		
Spending Under S. 2448														
Estimated Budget Authority	121	142	184	209	219	223	100	101	103	163	875	1,565		
Estimated Outlays	121	142	184	209	219	223	100	101	103	163	875	1,565		

BASIS OF ESTIMATE

The Surface Mining Control and Reclamation Act of 1977 directs OSM to provide grants to certain states and Indian tribes to support activities to restore land and water resources that have been degraded by past mining practices and, in some cases, to support other governmental programs. Because such grants are not subject to annual appropriation, they are considered direct spending. One portion of states' and tribes' grants is based on the amount of federal fees levied on coal produced within their jurisdiction. In addition, through fiscal year 2014, states and tribes receive extra funds based on fees derived from coal produced prior to 2008.

Under current law, states and tribes receive their OSM grants gradually as they incur eligible expenses. S. 2448, however, would require OSM to provide grants to certain states and tribes in the form of direct lump-sum transfers. Enacting S. 2448 would not change the total amount of OSM funding for grants to states and tribes, but it would accelerate the rate of spending. Based on information from OSM, CBO estimates that increased spending under the bill would total \$156 million over the 2009-2013 period and \$164 million over the 2009-2018 period because spending from future years would be advanced into those five- and 10-year periods.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2448 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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