

# Economic Contributions of the Department of the Interior Great American Outdoors Act Legacy Restoration Fund Projects for Fiscal Year 2021

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## Introduction

The Department of the Interior will invest \$1.6 billion in Fiscal Year 2021 to address critical deferred maintenance projects and improve transportation and recreation infrastructure in national parks, national wildlife refuges and recreation areas, and at Bureau of Indian Education schools. The funding was made possible by the Great American Outdoors Act (GAOA) newly created National Parks and Public Land Legacy Restoration Fund (LRF), which provides up to \$1.6 billion a year, for five years, to help address a multi-billion-dollar deferred maintenance backlog at national parks, on other public lands, and at tribal schools. This report provides estimates of the economic contributions of the Department of the Interior's Fiscal Year 2021 LRF investments.

## Economic Contributions Resulting from Interior's Fiscal Year 2021 LRF Activities

Total estimated economic contributions capture the net economic activity associated with the Department of the Interior's Fiscal Year 2021 LRF investments. These total economic contributions equal the sum of direct, indirect, and induced effects. The indirect and induced effects of spending are considered secondary effects and capture how Department of Interior investments (direct effects) "ripple" through the U.S. economy.

- *Direct Effect*: Known economic change that occurs as a result of the Department of the Interior spending in Fiscal Year 2021.
- *Indirect Effect*: Business-to-business transactions in the supply chain necessary to satisfy the Department of the Interior investments.
- *Induced Effect*: Household spending on goods and services generated by people working to satisfy the direct and indirect effects.

The economic contributions from the Department of the Interior's Fiscal Year 2021 LRF investments are measured by the following metrics: the number of jobs supported, labor income, economic output, value added.

- *Supported Jobs*: The total number of jobs supported by Department of the Interior Fiscal Year 2021 LRF activities.
- *Labor Income*: The sum of wages and benefits paid to employees and the proprietor income that is generated from the Department of the Interior Fiscal Year 2021 LRF activities.

- *Economic Output*: The total estimated value of production of goods and services supported by the Department of the Interior’s Fiscal year 2021 LRF activities. This is the sum of all intermediate sales and final demand.
- *Value Added*: The total estimated contribution of the Department of the Interior’s Fiscal year 2021 activities to the Gross Domestic Product (GDP) of the national economy.

## Methodology

The total DOI contributions are estimated using the methodology and results developed by the U.S Geological Survey and the National Parks Service.<sup>1</sup> This methodology employs activity-level response coefficients estimated using IMPLAN, an input-output software and data system to derive economic multipliers.<sup>2</sup> The economic data for the IMPLAN model come from the system of national accounts for the United States based on data collected by the U.S. Department of Commerce’s Bureau of Economic Analysis, the U.S. Department of Labor’s Bureau of Labor Statistics, and other federal and state government agencies. The IMPLAN economic model is static and assumes that the structure of the economy in Fiscal Year 2021 will be similar to the structure captured in the 2019 IMPLAN model. All dollars in this report are in 2021 dollars. The methodology also assumes all supply chain requirements are satisfied by US based businesses.

To derive multipliers the U.S Geological Survey and the National Parks Service methodology “bridged” each primary GAOA activity to IMPLAN sectors. This step crosswalks the proportion of each GAOA activity relative to sectors of construction, architectural and engineering services, environmental and other technical consulting services, and management consulting services using available spending pattern data. Appendix Table A.1 presents this information.

## Distribution of Fiscal Year 2021 GAOA Spending by Activity

Table 2 presents DOI’s Fiscal Year 2021 GAOA spending by activity. Table 2 excludes \$180 million of GAOA program administration costs. Of the DOI GAOA Fiscal Year 2021 spending about 50% (\$711 million) of the total \$1.4 billion spending is on transportation projects. The next largest category is building and structures (\$411 million; 30% of the total).

## Results

Table 3 presents estimates of the economic contributions and employment supported by DOI’s Fiscal Year 2021 GAOA spending. It is estimated that GAOA spending will support about 19,000 jobs and about \$2 billion in contributions to GDP.

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<sup>1</sup> Cullinane Thomas, C., and L. Koontz. 2021. Great American Outdoors Act Legacy Restoration Fund for national parks: Economic impacts of fiscal year 2021 funding. Natural Resource Report NPS/NRSS/EQD/NRDS—2021/1319. National Park Service, Fort Collins, Colorado.

<sup>2</sup> IMPLAN Group LLC; IMPLAN Pro software to derive economic multipliers [2019 national-level]. Huntersville, NC. Implan.com

**Table 2.** Great American Outdoors Act DOI LRF Fiscal Year 2021 Funding<sup>3</sup>

<b>Primary GAOA Activity</b>	<b>2021 Funding</b>	<b>Distribution of Funds</b>
Transportation	\$710,731,000	49.96%
Building & Structures	\$441,124,000	31.01%
Water & Utilities	\$162,466,000	11.42%
Recreational Assets	\$61,906,000	4.35%
Demolition	\$46,513,000	3.27%

**Table 3.** Estimated Economic Contributions of the Great American Outdoors Act DOI LRF Fiscal Year 2021, \$2021

<b>Impact</b>	<b>Employment</b>	<b>Labor Income (millions\$)</b>	<b>Output (millions\$)</b>	<b>Value Added (millions\$)</b>
Direct	6,758	516	1,423	707
Secondary	12,022	754	2,490	1,317
<b>Total</b>	<b>18,851</b>	<b>1,270</b>	<b>3,913</b>	<b>2,024</b>

### Acknowledgments

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<sup>3</sup> Table 2 excludes Fiscal Year 2021 Program Administration costs. These costs are not included in the economic contribution estimates.

**Table A.1** IMPLAN sector bridge by primary activity<sup>1</sup>

<b>Great American Outdoors Act Spending Activity</b>					
<b>IMPLAN Sector - Number and Description</b>	<b>Transportation</b>	<b>Buildings &amp; Structures</b>	<b>Water &amp; Utilities</b>	<b>Recreational Assets</b>	<b>Demolition</b>
<i>Construction</i>					
56 - Construction of other new nonresidential structures			27.2%		
60 - Maintenance and repair construction of nonresidential structures		68.3%	53.1%	80.3%	
61 -Maintenance and repair construction of residential structures		12.0%			
62 -Maintenance and repair construction of highways, streets, bridges, and tunnels	80.3%				
479 -Waste management and remediation services					80.3%
<i>Program Support</i>					
462 - Management consulting services	3.2%	3.2%	3.2%	3.2%	3.2%
544- Employment and payroll of federal govt. non-military	3.2%	3.2%	3.2%	3.2%	3.2%
<i>Planning/Design</i>					
457 - Architectural, engineering, and related services	11.3%	11.3%	11.3%	11.3%	11.3%
<i>Compliance</i>					
463- Environmental and other technical consulting services	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>