# Economic Contributions of the Great American Outdoors Act Legacy Restoration Fund Fiscal Year 2023 Projects U.S. Department of the Interior

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### Introduction

The Department of the Interior (DOI) will invest \$1.6 billion in Fiscal Year 2023 to address critical deferred maintenance projects and improve transportation and recreation infrastructure in national parks, national wildlife refuges, national recreation areas, and at Bureau of Indian Education schools. The Great American Outdoors Act (GAOA) established the 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 DOI's Fiscal Year 2023 LRF expenditures.

### Economic Contributions Resulting from DOI's Fiscal Year 2023 LRF Activities

Economic contributions capture the net economic activity associated with the DOI's Fiscal Year 2023 LRF expenditures. Total economic contributions equal the sum of direct, indirect, and induced effects, defined as follows.

- Direct Effect: Known economic change that occurs as a result of the DOI's GAOA
  project spending in Fiscal Year 2023. This includes the activity that results from the
  businesses who receive GAOA funds. These direct businesses are represented in the
  sectors listed in Table A.1.
- Indirect Effect: Business-to-business transactions in the supply chain necessary to satisfy DOI's expenditures. This includes inputs that suppliers must purchase from other industries and provide to the direct business (see table A.1) in order for the direct business to produce its goods and services.
- Induced Effect: Household spending on goods and services as a result of people's
  income related to their work in businesses that satisfy both the direct and indirect
  effects of the DOI activity.

Indirect and induced effects of spending are considered secondary effects, capturing how the direct effect of DOI expenditures "ripples" through the U.S. economy.

The economic contributions from the DOI's Fiscal Year 2023 LRF expenditures are measured as follows:

- Supported Jobs: The total number of jobs supported by DOI Fiscal Year 2023 LRF activities.
- *Value Added*: The total estimated contribution of the DOI's Fiscal Year 2023 GAOA expenditures to the Gross Domestic Product (GDP) of the national economy.

### Methodology

The total DOI contributions are estimated using the methodology developed by the U.S. Geological Survey and the National Park Service. This methodology employs activity-level response coefficients estimated using IMPLAN (an input-output software and data system) to

<sup>&</sup>lt;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.

derive economic multipliers.<sup>2</sup> The economic data for IMPLAN come from the system of national accounts for the United States: 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. Given the estimates reflect activity in a future period, assumptions must be made about the economic structure and supply chains. The IMPLAN economic model is static and assumes that the structure of the economy in Fiscal Year 2023 will be similar to the structure captured in the pre-COVID 2019 IMPLAN model year. All dollars in this report are in 2023 dollars. The methodology also assumes all supply chain requirements are satisfied by U.S.-based businesses.<sup>1</sup>

To derive multipliers, the U.S. Geological Survey and the National Park Service methodology "bridges" each primary GAOA activity (i.e., building & structures, demolition, recreational assets, transportation, and water & utilities) to IMPLAN sectors. This step crosswalks the proportion of each GAOA activity relative to sectors of construction, maintenance and repair, and waste management, using historic DOI spending pattern data. Appendix Table A.1 presents this information.

In Fiscal Year 2023, architectural and engineering services, environmental and other technical consulting services, and management consulting services were identified as part of the GAOA program management activity. Program management activity is considered out of scope of the economic contribution estimates because it is predominantly performed by DOI employees and not producing new economic contribution.

The Fiscal Year 2023 contributions also include \$99.9 million in contingency set-asides. These funds were established to help bureaus address fluctuations in construction costs to accomplish the original project scope. As such, the contingency set asides are assumed to be spent on Fiscal Year 2023 projects. The DOI contributions for these funds are estimated at the bureau level using the IMPLAN bridge relative to the proportional share of each GAOA activity.

### Distribution of Fiscal Year 2023 GAOA Funding by Activity

Table 1 and 2 presents DOI's Fiscal Year 2023 GAOA funding by activity and bureau. 42% (\$506 million) of DOI GAOA Fiscal year project funding is on water and utility projects. The next largest category is building and structures (\$444 million; 40% of the total).

### Results

Table 3 presents estimates of the economic contributions and employment supported by DOI's Fiscal Year 2023 GAOA funding. It is estimated that the \$1.2 billion of GAOA funding on non-program administration activities will support about 15,172 jobs and about \$1.6 billion in contributions to GDP.

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

Table 1. Great American Outdoors Act DOI LRF Fiscal Year 2023 Funding, by Activity<sup>3</sup>

Primary GAOA Activity	2023 Funding	<b>Distribution of Funds</b>
Building & Structures	\$444,612,000	36.9%
Demolition	\$1,237,000	0.1%
Recreational Assets	\$57,395,000	4.8%
Transportation	\$95,379,000	7.9%
Water & Utilities	\$506,344,000	42.0%
Contingency Set Aside	\$99,944,000	8.3%
Total	\$1,204,911,000	100%

**Table 2.** Great American Outdoors Act DOI LRF Fiscal Year 2023 Funding, by Bureau<sup>3</sup>

DOI Bureau	2023 Funding	<b>Distribution of Funds</b>
Bureau of Indian Education	\$92,150,000	7.6%
Bureau of Land Management	\$92,150,000	7.6%
Fish and Wildlife Service	\$92,150,000	7.6%
National Park Service	\$928,461,000	77.1%
Total	\$1,204,911,000	100%

**Table 3.** Estimated Economic Contributions of the Great American Outdoors Act DOI LRF Fiscal Year 2023, \$2023<sup>4</sup>

Primary GAOA Activity	Supported Jobs	Value Added (millions)
BIE	1,135	\$124
BLM	1,133	\$124
FWS	1,154	\$125
NPS	11,749	\$1,267
Total DOI	15,172	\$1,640

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<sup>&</sup>lt;sup>3</sup> Table 1 and Table 2 exclude \$410 million of Fiscal Year 2023 Program Management activities. These costs are out of scope of the economic contribution estimates because they are predominantly performed by DOI employees.

<sup>&</sup>lt;sup>4</sup> NPS contributions are estimated directly by NPS.

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 Table A.1 IMPLAN sector bridge by primary activity

# **Great American Outdoors Act Spending Activity**

IMPLAN Sector - Number and Description	Transportation	Buildings & Structures	Water & Utilities	Recreational Assets	Demolition	Contingency Set Aside
56 - Construction of other new nonresidential structures			33.9%			
60 - Maintenance and repair construction of nonresidential structures 61 - Maintenance and repairconstruction of residential structures		85.0% 15.0%	66.1%	100%		Varies by DOI bureau based on bureau's proportion of funding for
62 - Maintenance and repairconstruction of highways, streets, bridges, and tunnels	100%					each GAOA activity
479 - Waste managementand remediation services					100%	
Total	100%	100%	100%	100%	100%	