



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

March 4, 2008

**H.R. 1084  
Stabilization and Reconstruction Civilian Management Act of 2008**

*As ordered reported by the House Committee on Foreign Affairs  
on February 27, 2008*

**SUMMARY**

H.R. 1084 would establish an Office of the Coordinator for Reconstruction and Stabilization within the Department of State to conduct reconstruction and stabilization operations. The bill would authorize the Secretary of State to establish and maintain a response readiness corps and a civilian reserve corps and would authorize the appropriation of such sums as may be necessary over the 2007-2010 period for personnel, education and training, equipment, travel, and deployment costs. The bill also would authorize the President to provide assistance of up to \$100 million a year over the 2008-2010 period to stabilize and rebuild a country or region that is in, or emerging from, conflict or civil strife.

CBO estimates that H.R. 1084 would increase discretionary spending by \$620 million over the 2009-2013 period, assuming appropriation of the estimated amounts. Implementing the bill would have an insignificant effect on direct spending and no effect on revenues.

H.R. 1084 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 H.R. 1084 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

	By Fiscal Year, in Millions of Dollars				
	2009	2010	2011	2012	2013
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION <sup>a</sup></b>					
Reconstruction and Stabilization					
Estimated Authorization Level	250	202	0	0	0
Estimated Outlays	213	199	25	3	1
Foreign Assistance					
Estimated Authorization Level	100	100	0	0	0
Estimated Outlays	23	57	50	30	20
Total Changes					
Estimated Authorization Level	350	302	0	0	0
Estimated Outlays	236	256	75	33	21

a. Enacting H.R. 1084 also would affect direct spending, but CBO estimates that those effects would be less than \$500,000 a year.

## **BASIS OF ESTIMATE**

CBO estimates that under H.R. 1084 the Department of State would require additional appropriations of \$350 million in 2009 and \$302 million in 2010. For this estimate, CBO assumes that this legislation will be enacted before the end of fiscal year 2008, that the estimated authorization amounts will be appropriated near the start of each fiscal year, and that outlays will follow historical spending patterns for similar programs.

## **Spending Subject to Appropriation**

H.R. 1084 would establish a new program of stabilization and reconstruction efforts at the Department of State, for which we estimate funding requirements of about \$450 million over the next two years, and would authorize up to \$100 million a year over the 2008-2010 period in foreign assistance. In total, CBO estimates that implementing the bill would cost \$620 million over the 2009-2013 period, assuming appropriation of the necessary amounts.

**Reconstruction and Stabilization.** Section 5 would formalize a new initiative within the State Department to provide civilian management of stabilization and reconstruction efforts and authorize the Secretary of State to establish and maintain a response readiness corps and a civilian reserve corps to carry out those efforts. CBO expects that this authority would be employed in a manner consistent with the Civilian Stabilization Initiative proposed in the

President's recent budget submission to the Congress. Under that proposal, the response readiness corps would be composed of an active component of 250 federal employees assigned to the program full time and a standby component with 2,000 employees from various civilian federal agencies who could be called upon as needed, and the civilian reserve corps would include 2,000 volunteers drawn from the private sector and state and local governments.

The bill would authorize the appropriation of such sums as may be necessary through 2010 for personnel, education and training, equipment, travel, and deployment costs related to those corps. In addition, Public Law 110-28 (the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007) provided up to \$50 million for the civilian reserve corps, contingent on future authorization by the Congress. Under current law, the department plans to use those funds for existing programs and activities. Under H.R. 1084, the department would use about \$26 million to develop training programs and to start a recruiting program for the civilian reserve. However, CBO estimates that those funds would be spent at about the same rate under H.R. 1084 as under current law.

The costs of this program would include:

- Operating expenses for the Office of the Coordinator,
- Pay and benefits for 250 new full-time employees,
- Amounts for training and equipping 4,250 active, standby, and civilian reserve members, and
- Contingency funds to initiate mobilization and deployment of the corps.

Based on information provided by the Department of State, CBO estimates that implementing those provisions would cost \$440 million over the 2009-2013 period, assuming appropriation of the necessary amounts in 2009 and 2010.

*Office of the Coordinator for Reconstruction and Stabilization.* The Office of the Coordinator for Reconstruction and Stabilization was created in the State Department in 2004. Section 5 would codify the establishment of that office and specify its responsibility to monitor and assess international crises, to prepare contingency plans for various types of crises, to coordinate plans with other agencies, to identify and train personnel with the necessary skills for stabilization and reconstruction operations, and should the President decide it is in the national interest, to coordinate the U.S. assistance in stabilizing and

reconstructing the affected country or region. CBO estimates that the office would require appropriations of \$23 million a year in each of 2009 and 2010.

*Response Readiness Corps.* Section 5(b) would authorize the establishment of a response readiness corps with active and standby components composed of federal employees. CBO estimates that implementing that provision would require appropriations of \$76 million in 2009 and \$67 million in 2010.

CBO estimates that the 250-member active component would deploy frequently, but in small numbers and to relatively safe environments, and that it would require annual appropriations of about \$37 million in 2009 and \$36 million in 2010. Those amounts include annual per capita costs of about \$110,000 for salary and benefits, \$5,000 for office support, and \$10,000 for travel. In 2009, average costs for equipment and training would be about \$20,000, but those costs would decline in 2010 to about \$16,000.

The standby and reserve corps would be available should the President determine that national security interests required a larger, more-sustained presence. Since the standby component of the response readiness corps would be drawn from among existing federal employees, costs for those members when not deployed would be limited to the costs of training and equipment. As with the active-component members, CBO estimates that average costs for training and equipment would be about \$20,000 in 2009 and \$16,000 in 2010. CBO estimates the standby component would require appropriations of \$39 million in 2009 and \$31 million in 2010.

*Civilian Reserve Corps.* In its first full year, CBO estimates the 2,000-member civilian reserve corps would have average per capita costs of \$8,500 for recruitment, screening, and enrollment; \$18,000 for training and equipment; \$10,400 for salary during training; and \$6,500 for administrative expenses. In 2010, costs for recruitment, screening, and enrollment would fall by two-thirds and costs for training and equipment would fall by one-half. Training pay also would decline in 2010 to an average of \$6,200 and administrative costs would average \$5,600. In total, CBO estimates the corps would require appropriations of \$87 million in 2009 and \$47 million in 2010.

*Contingency Costs.* Should the President determine that a larger presence was required, the standby and civilian reserve corps members could be activated, generally deploying alongside military forces. Over a two-month period, CBO estimates that mobilizing a small force of about 130 members—three field teams of 25 members each and a headquarters unit of 55 members—would require annual appropriations of about \$65 million. That amount would include about \$30 million for pay and allowances, equipment, travel, predeployment training, and supplies. Based on the costs of security for similar teams in Afghanistan, CBO estimates

that security costs would be about \$22 million and contracts for experts in various fields would amount to \$13 million.

Any contingency could expand beyond the initial 130 members and would likely continue well beyond two months. The President's initiative envisions the program having sufficient funds to initiate a deployment, and then either transferring the necessary amounts from other accounts or requesting additional funds from the Congress for an extended deployment. CBO cannot predict the extent or cost of such contingencies.

**Foreign Assistance.** Section 4 would authorize the President to provide assistance of up to \$100 million a year over the 2008-2010 period to stabilize and rebuild a country or region that is in, or emerging from, conflict or civil strife. Considering the number of regions in the world in conflict or recovering from conflict and the magnitude of the appropriations for the reconstruction of Iraq and Afghanistan (more than \$30 billion over the 2003-2008 period), reconstruction efforts could require much higher funding. Accordingly, CBO expects that those funds would be used for an initial response to an international crisis and not for major reconstruction efforts and would be expended for a mix of activities with an aggregate spending pattern similar to that of the Economic Support Fund (a program that provides assistance to promote economic growth, free markets, and sustainable democracy). CBO estimates that implementing this provision would cost \$180 million over the 2009-2013 period, assuming appropriation of the estimated amounts.

### **Direct Spending**

Enacting H.R. 1084 would have an insignificant effect on direct spending for retirement benefits. Depending on the circumstances, designating volunteers for the civilian reserve corps as temporary federal employees could result in either small costs or small savings to the federal retirement programs. CBO estimates that any effects would be insignificant for each year.

### **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 1084 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

## **PREVIOUS CBO ESTIMATE**

On April 2, 2007, CBO transmitted a cost estimate for S. 613, the Reconstruction and Stabilization Civilian Management Act of 2007, as ordered reported by the Senate Committee on Foreign Relations on March 28, 2007. The bills and their five-year costs are similar, but S. 613 would provide specific authorizations of appropriations for the 2008-2012 period while H.R. 1084 would authorize the appropriation of such sums as may be necessary over the 2008-2010 period.

## **ESTIMATE PREPARED BY:**

Federal Costs: Sunita D'Monte

Impact on State, Local, and Tribal Governments: Neil Hood

Impact on the Private Sector: Jacob Kuipers

## **ESTIMATE APPROVED BY:**

Peter H. Fontaine

Assistant Director for Budget Analysis