



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 28, 2000

H.R. 5224 **International Food Relief Partnership Act of 2000**

As passed by the House on September 25, 2000

SUMMARY

H.R. 5224 would expand international food-aid programs in two ways. It would authorize funding for grants to nonprofit organizations to prepare and stockpile prepackaged food and to deliver that food overseas. In addition, the act would authorize the United States Agency for International Development (USAID) to procure, transport, and store agricultural commodities overseas in anticipation of future needs.

H.R. 5224 would authorize the appropriation of \$3 million each year in 2001 and 2002 for the grant program. The act would limit USAID's storage costs for prepositioned commodities to no more than \$2 million a year in 2001 and 2002, but the agency would incur additional costs to procure and transport the commodities. In total, CBO estimates that spending authorized by this act would come to \$14 million over the 2003-2005 period, assuming the appropriation of the necessary funds. Because the act would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

H.R. 5224 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 5224 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					
	2000	2001	2002	2003	2004	2005
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law						
Estimated Authorization ^a	800	800	800	0	0	0
Estimated Outlays	884	819	761	328	83	28
Proposed Changes						
Estimated Authorization	0	11	5	0	0	0
Estimated Outlays	0	6	6	2	0	0
Spending Under H.R. 5224						
Estimated Authorization ^a	800	811	805	0	0	0
Estimated Outlays	884	825	767	330	83	28

a. The 2000 level is the amount appropriated for that year. The current law amounts for the 2001-2002 period assume that appropriations remain at the 2000 level, without adjustment for inflation. If they are adjusted for inflation, the base amounts would increase by about \$14 million a year, but the estimated changes would not be affected.

BASIS OF ESTIMATE

H.R. 5224 would authorize the appropriation of \$3 million a year in 2001 and 2002 for grants to purchase and deliver prepackaged food. In addition, CBO estimates it would cost USAID \$8 million in 2001 and \$2 million in 2002 to procure, transport, and store agricultural commodities overseas in anticipation of future needs. We assumed that those amounts would be appropriated at or near the start of each fiscal year, and we used historical spending rates to estimate outlays.

Based on information from USAID, CBO estimates that \$2 million would pay the storage costs of up to 15,000 tons of blended foods, dry beans, and vegetable oil for a year. We estimate that \$7 million would be required to initially purchase and transport the commodities, assuming that costs would be about average for the food-aid program, and that it would take half a year to preposition the commodities. We assume those commodities would be used to shorten the delivery time in emergency situations and subsequently be replaced to maintain a rotating stockpile of commodities for the duration of the authorization period.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5224 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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