



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

January 20, 2010

S. 1524 **Foreign Assistance Revitalization and Accountability Act of 2009**

*As ordered reported by the Senate Committee on Foreign Relations
on November 17, 2009*

SUMMARY

S. 1524 would establish the Council on Research and Evaluation of Foreign Assistance (CORE) to evaluate the impact of foreign assistance programs and would establish or expand several programs at the U.S. Agency for International Development (USAID).

CBO estimates that implementing S. 1524 would cost \$198 million over the 2010-2014 period, assuming appropriation of the authorized and estimated amounts. Enacting the bill would not have a significant effect on direct spending or revenues.

S. 1524 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 S. 1524 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					2010- 2014
	2010	2011	2012	2013	2014	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION^a						
Council on Research and Evaluation for Foreign Assistance						
Authorization Level	0	30	35	40	45	150
Estimated Outlays	0	22	32	38	44	136
USAID Bureau of Policy and Strategic Planning						
Estimated Authorization Level	9	9	5	5	5	33
Estimated Outlays	7	9	6	5	5	32
USAID Personnel Training						
Estimated Authorization Level	6	6	6	6	6	30
Estimated Outlays	4	6	6	6	6	28
USAID Workforce and Human Resources Strategy						
Estimated Authorization Level	1	1	*	*	*	2
Estimated Outlays	1	1	*	*	*	2
Total Changes						
Estimated Authorization Level	16	46	46	51	56	215
Estimated Outlays	12	38	44	49	55	198

Note: USAID = U.S. Agency for International Development; *= less than \$500,000.

a. Enacting the legislation also could have an insignificant effect on direct spending.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1524 will be enacted by the middle of calendar year 2010 and that spending will follow historical patterns for existing and similar programs.

Spending Subject to Appropriation

The bill would establish CORE and establish or expand several programs at USAID. In total, CBO estimates that establishing and expanding those programs would cost \$198 million over the 2010-2014 period, assuming appropriation of the authorized and estimated amounts.

Council on Research and Evaluation for Foreign Assistance. Section 6 would establish CORE and authorize the appropriation of \$255 million over the 2011-2016 period for that purpose. Of those amounts, \$150 million would be authorized to be appropriated over the 2011-2014 period. CORE, which would be a wholly owned government corporation in the executive branch, would be authorized to conduct research, analysis, and evaluations of the design, implementation, evaluation, and effectiveness of bilateral and multilateral foreign assistance programs. CBO estimates that implementing those research and evaluation programs would cost \$136 million over the 2010-2014 period. The full \$255 million authorized to be appropriated would be spent by 2019.

USAID Bureau of Policy and Strategic Planning (PSP). Section 5 would establish a new PSP Bureau within USAID, which CBO expects would in large part resemble the Bureau for Policy and Program Coordination (PPC) that had existed at USAID prior to a series of reforms of the foreign assistance budget process initiated in 2006. Prior to being disbanded, the PPC Bureau had a total staff of 95 and operated with an annual budget of about \$10 million. Following the 2006 reforms, approximately half of the PPC staff joined a new Bureau of Foreign Assistance (F Bureau) at the State Department, with the remaining staff reassigned to several other offices at USAID. CBO assumes that most of the USAID staff that are currently located in the State Department's F Bureau would return to USAID to staff the new PSP Bureau, and that many of the PPC staff who moved to other USAID offices would return to the new PSP Bureau. In addition, based on information from USAID, CBO expects that USAID would need to hire about 25 new staff members to carry out additional functions related to policy planning. Thus, CBO estimates that establishing a new PSP Bureau would cost \$24 million over the 2010-2014 period.

Section 5 also would authorize the appropriation of \$5 million in 2010 and such sums as may be necessary in 2011 to establish an Office for Learning, Evaluation, and Analysis in Development within the new PSP Bureau. CBO assumes that this office would replace USAID's central evaluations office, which was recently established in the Management Bureau and received about \$1 million in appropriations in 2009. CBO estimates that establishing the new office would cost an additional \$8 million over the 2010-2011 period.

USAID Personnel Training. Section 8 would direct the Administrator of USAID to augment and expand external training, language training, and educational opportunities for Foreign Service officers and Civil Service personnel. USAID spent almost \$13 million on staff training in 2009. Based on information from USAID, CBO estimates that providing additional training and education would cost \$28 million over the 2010-2014 period.

USAID Workforce and Human Resources Strategy. Section 7 would establish a workforce and human resources task force and require the USAID Administrator to consult with the task force and hire an outside contractor to help develop a comprehensive workforce and human resources strategy. Based on information from USAID, CBO estimates that developing that strategy would cost \$2 million over the 2010-2014 period.

Direct Spending

Section 6 of S. 1524 would authorize CORE to accept gifts and donations from non-U.S. government sources (which are recorded as offsetting receipts, a credit against direct spending). Such gifts and donations, which CBO estimates would total less than \$500,000 a year, could not be spent without further appropriation.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1524 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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