CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 13, 2016

H.R. 1150
Frank R. Wolf International Religious Freedom Act

As ordered reported by the House Committee on Foreign Affairs on April 20, 2016

H.R. 1150 would make several changes to the Office of International Religious Freedom and programs promoting international religious freedom within the Department of State. On the basis of information from the department, CBO estimates that implementing those changes would cost $1 million in 2017, less than $500,000 each year over the 2018-2021 period, and would total $2 million over the 2017-2021 period; such spending would be subject to the availability of appropriated funds.

Pay-as-you-go procedures do not apply because enacting H.R. 1150 would not affect direct spending or revenues. CBO estimates that enacting H.R. 1150 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

On the basis of information from the department, CBO estimates that most of the bill's changes to the duties and operations of the office have already been or are in the process of being implemented. However, some reporting requirements would impose costs; in particular, the requirements to gather and report information on certain nongovernmental entities as well as to compile and maintain a list of persons who have been sanctioned for violating religious freedom would significantly increase the department's workload. On that basis, CBO estimates that the equivalent of two additional employees would be needed at an average annual cost of about $200,000 per employee to implement those reporting requirements.

Section 103 would require all Foreign Service officers to undergo training on international religious freedom; currently, such training is an elective and offered a few days each year. The provision also would require the department to report to the Congress within 180 days of enactment of H.R. 1150 on a plan to accomplish that training. The department indicated it would need one employee at an average cost of about $200,000 to develop and implement the curriculum and to report to the Congress in 2017. In following years, it would need the equivalent of one-quarter of a full-time employee each year to maintain or update the curriculum as needed.

H.R. 1150 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

The bill would require the President, as part of the annual review of countries for violations of religious freedom, to review and identify any nonstate actors operating in any such country or surrounding region that have engaged in particularly severe violations of religious freedom. Nonstate entities, if designated, would be subject to measures under the International Religious Freedom Act of 1998 with the aim of stopping them from violating religious freedom, including sanctions. If the President exercises the authority under the bill to impose sanctions against designated nonstate entities, H.R. 1150 could prohibit certain exports and financial transactions with those entities. Such sanctions would impose private-sector mandates as defined in UMRA, if they prohibited entities in the United States from engaging in transactions with the entities that are sanctioned.

The cost of the mandates would be any forgone income directly related to prohibited transactions. Because any nonstate entities designated under the bill would be particularly severe violators of religious freedoms, and thus likely already subject to other U.S. sanctions, CBO expects the number of entities affected by prospective sanctions would be very low. Further, CBO expects that the loss of income from the potential restrictions in the bill would not be substantial. Therefore, CBO estimates that the aggregate cost of the mandates would fall below the annual threshold for private-sector mandates established in UMRA ($154 million in 2016, adjusted annually for inflation).

The CBO staff contacts for this estimate are Sunita D'Monte (for federal costs) and Logan Smith (for private-sector mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.