



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

March 24, 2016

H.R. 3924
Global Development Lab Act of 2016
As ordered reported by the House Committee on Foreign Affairs on February 24, 2016

SUMMARY

H.R. 3924 would codify the establishment of the Global Development Lab (Lab) within the U.S. Agency for International Development (USAID). H.R. 3924 also would authorize the appropriation of up to \$15 million each year over the 2017-2021 period for the Lab’s health programs. Assuming appropriation of the maximum amount authorized, CBO estimates that implementing H.R. 3924 would cost almost \$50 million over the 2017-2021 period (the remainder would be spent after 2021).

Because enacting H.R. 3924 would not affect direct spending or revenues, pay-as-you-go procedures do not apply. CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 3924 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 effect of H.R. 3924 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					2017-2021
	2017	2018	2019	2020	2021	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	15	15	15	15	15	75
Estimated Outlays	1	7	12	14	15	49

BASIS OF ESTIMATE

The Lab was established in 2014 with the goal of reducing poverty through the use of science, technology, innovation, and partnerships with other entities; the bill would codify the Lab and its programs. In 2016, it received \$165 million in appropriated funds for its programs: \$160 million from the Development Assistance account and \$5 million from the Global Health Programs account. The bill would authorize the Lab to use up to \$15 million each year over the 2017-2021 period from appropriations for development assistance for health programs. Assuming the appropriation of \$15 million each year, CBO estimates that implementing H.R. 3924 would cost \$49 million over the 2017-2021 period.

The bill also would give the Lab greater flexibility to hire staff and make certain awards for innovation. Specifically, section 3 would allow the Lab to hire up to 30 people for limited terms and would authorize the Lab to give awards for innovative approaches to U.S. foreign assistance. On the basis of information from USAID, CBO estimates that implementing those expanded authorities would not increase overall spending on staff or awards. Under its existing authorities, the Lab cannot provide awards to foreign persons or entities and relies on grants instead, which often require additional administrative effort.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3924 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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