



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 7, 2008

**S. 2120
Social Investment and Economic Development
for the Americas Act of 2007**

*As ordered reported by the Senate Committee on Foreign Relations
on June 24, 2008*

SUMMARY

S. 2120 would authorize the appropriation of almost \$1.3 billion over the 2009-2013 period and an additional \$300 million a year over the 2014-2017 period for assistance programs to reduce poverty, expand the middle class, and foster economic opportunity in countries of the Western Hemisphere. CBO estimates that implementing S. 2120 would cost \$777 million over the 2009-2013 period, assuming appropriation of the authorized amounts. (Additional spending over the 2014-2018 period would total \$1.4 billion, CBO estimates.) Enacting S. 2120 would have no effect on direct spending or revenues.

S. 2120 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. 2120 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-
	2009	2010	2011	2012	2013	2013
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Bilateral Development Assistance						
Authorization Level	75	100	125	150	150	600
Estimated Outlays	8	40	72	100	124	344
Contributions to Inter-American Development Bank (IDB)						
Authorization Level	75	100	125	150	150	600
Estimated Outlays	19	44	75	113	131	382
IDB Arrears						
Authorization Level	51	0	0	0	0	51
Estimated Outlays	51	0	0	0	0	51
Total Changes						
Authorization Level	201	200	250	300	300	1,251
Estimated Outlays	78	84	147	213	255	777

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 2120 will be enacted near the start of fiscal year 2009, that the authorized amounts will be appropriated each year, and that outlays will follow historical spending patterns for existing programs. (S. 2120 also would authorize the appropriation of \$100 million in 2008 for foreign assistance programs; however, those amounts are not included in this cost estimate because CBO assumes that no further appropriations will be provided in 2008 for such programs.)

Bilateral Development Assistance

Section 3 would authorize the appropriation of \$600 million over the 2009-2013 period and an additional \$600 million over the 2014-2017 period to operate and expand existing United States Agency for International Development (USAID) programs that promote education, disease prevention, housing quality and access, rural development, poverty reduction, law enforcement, and efficient judicial systems. The bill would require USAID to evaluate the impact of such programs and to make annual reports to the Congress. In addition, the bill would establish an advisory committee to consult with USAID and oversee the authorized

programs. In total, CBO estimates that implementing those provisions would cost \$344 million over the 2009-2013 period, assuming appropriation of the authorized amounts.

Contributions to Inter-American Development Bank (IDB)

Section 4 would authorize the appropriation of \$600 million over the 2009-2013 period and an additional \$600 million over the 2014-2017 period for contributions to the IDB to establish a Social Investment and Economic Development Fund for the Americas. The fund, which also would be authorized to receive contributions from other countries and private entities, would provide assistance to reduce poverty, expand the middle class, and foster economic opportunity in countries of the Western Hemisphere. Assuming appropriation of the authorized amounts, CBO estimates that implementing this provision would cost \$382 million over the 2009-2013 period.

IDB Arrears

Section 6 would authorize the appropriation of \$51 million as a payment to the IDB for arrears owed by the United States. Assuming appropriation of the authorized amounts, CBO estimates that implementing this provision would cost \$51 million in 2009.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2120 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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