



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 8, 1998

H.R. 2431
Freedom From Religious Persecution Act of 1998

As ordered reported by the House Committee on Ways and Means on May 6, 1998

SUMMARY

H.R. 2431 would create an Office of Religious Persecution Monitoring to monitor and to report on violations of religious freedom throughout the world. The bill would impose restrictions on trade or aid, deny visas, and levy sanctions on countries that are found to support or tolerate religious persecution. In particular, the bill would impose additional sanctions on Sudan. Finally, the bill would make certain changes to policies governing the admission of refugees and those seeking asylum into the United States.

H.R. 2431 would affect direct spending, and thus pay-as-you-go procedures would apply. The bill would impose additional costs on the Immigration and Naturalization Service (INS) by requiring it to increase documentation for certain cases in which it denies an application for asylum or refers the case to an immigration judge. CBO estimates that such costs would total about \$5 million a year. We expect that these costs would be paid from a budget account funded by user fees and would therefore constitute direct spending. In addition, the changes in policies governing asylees and refugees could affect direct spending in certain benefit programs, but CBO does not expect that such costs would be significant.

The bill would also increase discretionary spending, assuming the appropriation of the necessary funds. Based on information from the Department of State, CBO estimates that the Office of Religious Persecution Monitoring would cost about \$600,000 a year.

H.R. 2431 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would not have a significant impact on the budgets of state, local, or tribal governments. The bill would impose new private-sector mandates, as defined by UMRA, but CBO cannot determine whether the total costs of mandates resulting from sanctions against countries that engage in religious persecution would exceed the statutory threshold set by UMRA (\$100 million in 1996, adjusted annually for inflation) in any one year.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2431 is shown in the following table. The costs of this bill would fall within budget functions 150 (international affairs) and 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					
	1998	1999	2000	2001	2002	2003
DIRECT SPENDING						
Spending Under Current Law for Immigration Examinations						
Estimated Budget Authority	750	800	750	750	750	750
Estimated Outlays	750	800	750	750	750	750
Proposed Changes						
Estimated Budget Authority	0	5	5	5	5	5
Estimated Outlays	0	5	5	5	5	5
Spending Under H.R. 2431 for Immigration Examinations						
Estimated Budget Authority	750	805	755	755	755	755
Estimated Outlays	750	805	755	755	755	755
SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	0	1	1	1	1	1
Estimated Outlays	0	1	1	1	1	1

BASIS OF ESTIMATE

The estimate assumes enactment of H.R. 2431 by September 30, 1998, and subsequent appropriation of the estimated authorizations.

Direct Spending

H.R. 2431 would require the INS to increase documentation for certain cases in which it denies an application for asylum or refers the case to an immigration judge. Based on information from the General Accounting Office and the INS, CBO estimates that the costs to the INS would be about \$5 million a year. We anticipate that the additional outlays would be paid from an account funded by user fees charged by the agency and would be classified

as direct spending. It is possible that the INS eventually could offset this increase in spending by raising its adjudication fees, but CBO has no basis for predicting when or if any changes in fees would occur.

H.R. 2431 would also make certain changes to policies governing the admission of refugees and asylees into the United States. These changes could potentially affect direct spending for certain benefit programs (notably Supplemental Security Income, Food Stamps, and Medicaid) because many such individuals collect benefits under those programs, but CBO does not expect that those costs would be significant.

Under current law, applicants who can demonstrate a well-founded fear of persecution on account of religion (or race, nationality, membership in a particular social group, or political opinion) already qualify for asylee or refugee status. The Department of State, which monitors the human rights situation around the world, has developed profiles of the varieties of religious persecution prevalent in various countries, and those profiles are used by the Department of Justice in adjudicating claims of asylum. Applicants for refugee or asylee status from countries such as Sudan and Iraq already have a very high probability of being granted admission into the United States. H.R. 2431 would continue to require that applicants establish a well-founded fear of persecution and would not grant automatic admission to anyone who merely asserts such claim on the basis of religion.

The bill would, however, exempt certain people who claim religious persecution from the expedited removal procedures that now apply to other aliens who arrive without proper documents and would make it more arduous for the government to document its denial of such claims during subsequent adjudications. It would also provide for a period of public review and comment on the proposed ceiling for the next year's refugee admissions, a ceiling that is now set by the President after consultation with key Congressional committees. Those procedural changes raise the possibility that the bill would lead the government to admit more refugees or grant more claims for asylum. After consulting with the Department of Justice and the Department of State, CBO concludes that the number of additional people granted refugee or asylee status is likely to be quite small.

Spending Subject to Appropriation

The bill would require the creation of an Office of Religious Persecution Monitoring within the Department of State. Based on information provided by the department, CBO estimates that operating the office would require about five personnel, including the director, and would cost \$600,000 per year.

CBO estimates that the restrictions on foreign assistance required by the bill would not have a significant budgetary impact. The United States provides little assistance to the governments of countries suspected of supporting or tolerating religious persecution. In addition, the bill provides for many exemptions and waivers.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act of 1985 specifies procedures for legislation affecting direct spending and receipts. Because the bill would result in additional direct spending by the INS, these pay-as-you-go procedures would apply. The following table shows the projected changes in direct spending for fiscal years 1998 through 2008. For purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	0	5	5	5	5	5	5	5	5	5	5
Changes in receipts	Not applicable										

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 2431 contains no intergovernmental mandates as defined in UMRA and would not have a significant impact on the budgets of state, local, or tribal governments.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 2431 would impose new private-sector mandates, as defined by UMRA, on U.S. exporters who sell to countries identified as engaging in religious persecution. In addition, the bill would extend mandates that currently prohibit nearly all economic relations with Sudan. Because the precise prohibitions against exports relating to religious persecution would be determined at a later date, CBO cannot estimate whether the direct costs of mandates in the bill would exceed the statutory threshold established in UMRA.

Section 7 would prohibit exports to identified responsible entities within a country that has been determined to carry out religious persecution and exports of products that facilitate persecution, depending on the specific findings of the Secretary of State. Because we have no basis for predicting what the Secretary's findings would be, CBO cannot estimate the direct costs to the private-sector of these provisions.

Section 12 would extend current sanctions against Sudan. Because existing sanctions ban virtually all economic relations with Sudan, CBO estimates that the provisions of this section would not impose significant additional costs on private-sector entities.

PREVIOUS CBO ESTIMATE

On April 1, 1998, CBO prepared an estimate for H.R. 2431 as ordered reported by the House Committee on International Relations. This estimate reflects the amendments to the sanctions on Sudan made by the House Committee on Ways and Means and incorporates additional information on the cost to the INS of the proposed changes to immigration policy.

ESTIMATE PREPARED BY:

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