



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

April 13, 2004

**H.R. 4011
North Korean Human Rights Act of 2004**

*As ordered reported by the House Committee on International Relations
on March 31, 2004*

SUMMARY

H.R. 4011 would express Congressional concern about the human rights of North Koreans and authorize funding for assistance to North Koreans and to organizations promoting human rights in that region. The bill would authorize the appropriation of \$124 million each year over the 2005-2008 period to:

- Provide humanitarian assistance to North Koreans inside North Korea;
- Provide grants to private, nonprofit organizations to promote human rights, democracy, rule of law, and the development of a market economy in North Korea;
- Increase the availability of information inside North Korea; and
- Provide humanitarian or legal assistance to North Koreans who have fled North Korea.

CBO estimates that implementing the bill would cost \$69 million in 2005 and \$464 million over the 2005-2009 period, assuming the appropriation of the authorized amounts.

The bill also would provide certain immigration protections and benefits to North Koreans who have been persecuted by the North Korean regime. H.R. 4011 would affect the Bureau of Citizenship and Immigration Services (CIS) fees and direct spending, and direct spending for federal benefits to refugees, however, CBO estimates those amounts would be insignificant.

H.R. 4011 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no significant costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4011 is shown in the following table. The estimate assumes that the bill will be enacted late in 2004 and that the authorized amounts will be provided in annual appropriation acts. The costs of this legislation fall within budget function 150 (international affairs).

| | By Fiscal Year, in Millions of Dollars | | | | | |
|--|--|------|------|------|------|------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| SPENDING SUBJECT TO APPROPRIATION^a | | | | | | |
| Spending Under Current Law for Assistance to the North Korean People | | | | | | |
| Budget Authority ^b | 36 | 0 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 35 | 16 | 6 | 2 | 1 | 0 |
| Proposed Changes | | | | | | |
| Authorization Level | 0 | 124 | 124 | 124 | 124 | 0 |
| Estimated Outlays | 0 | 69 | 104 | 116 | 121 | 54 |
| Spending Under H.R. 4011 for Assistance to the North Korean People | | | | | | |
| Authorization Level ^b | 36 | 124 | 124 | 124 | 124 | 0 |
| Estimated Outlays | 35 | 85 | 110 | 118 | 122 | 54 |

a. H.R. 4011 also could increase the cost and the amount of fees collected by the Bureau of Citizenship and Immigration Services (CIS), but CBO estimates the net impact on CIS direct spending would be negligible. CBO also estimates H.R. 4011 could increase direct spending for federal benefits to refugees but the spending increase would not be significant.

b. The 2004 level is the amount appropriated for that year.

BASIS OF ESTIMATE

H.R. 4011 bill would authorize the appropriation of funds in each year over the 2005-2008 period to provide humanitarian assistance to the people of North Korea and would provide certain immigration protections and benefits to North Koreans who have been persecuted by the North Korean regime; thus, the bill would affect both spending subject to appropriation and direct spending.

Spending Subject to Appropriation

The United States provides no assistance to the government of North Korea; however, in 2004, the United States is providing about \$35 million in food-aid to the people of North Korea through the United Nations World Food Program. According to the State Department, the government also provides a small amount of assistance (about \$1 million) to nongovernmental organizations for human rights activities and to assist North Koreans outside North Korea.

The bill would authorize the appropriation for each year over the 2005-2008 period of the following amounts: \$100 million for humanitarian assistance provided in North Korea, \$20 million for humanitarian or legal assistance to North Koreans who are outside of North Korea without the permission of the government of North Korea, \$2 million for grants to nongovernmental organizations to promote human rights, democracy, rule of law, and the development of a market economy in North Korea; and \$2 million to promote access to information inside North Korea. The bill does not specify which federal program would receive these funds. For this estimate, CBO assumes that assistance to North Koreans inside North Korea would be provided as food-aid, that assistance to North Koreans outside North Korea would be provided as migration and refugee assistance, and that the other assistance would be provided through grants to the National Endowment for Democracy or other agencies. We used historical spending rates for those programs to estimate outlays.

Direct Spending

Title III of H.R. 4011 would streamline the process for North Koreans who have been persecuted by the North Korean regime to apply for refugee status in the United States. The bill also would permit some of these persons, after living in the United States for at least one year, to apply for permanent U.S. residence. In addition, H.R. 4011 would allow North Koreans already present in the United States to apply for temporary protected status, which would permit them to remain and work here.

The CIS does not charge fees to adjudicate refugee applications, so enacting H.R. 4011 could increase the agency's net costs to carry out these activities. However, CBO estimates that the bill would not significantly affect CIS spending on refugee programs because of the small number of North Koreans likely to be affected.

In addition, enacting H.R. 4011 could increase the amount of fees collected by CIS to grant permanent residence, temporary protected status, and work permits. The agency would spend the fees (without appropriation action), mostly in the year in which they were collected, so enacting the bill would result in a negligible net impact on CIS spending for these activities.

Finally, some of the new refugees could become eligible for certain federal benefits such as Food Stamps and Medicaid, but CBO estimates the numbers of new entrants would be small and that any increase in direct spending for benefit programs would not be significant.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4011 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no significant costs on state, local, or tribal governments.

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