

At a Glance

H.R. 6727, United States Foundation for International Conservation Act of 2023

As ordered reported by the House Committee on Foreign Affairs on March 21, 2024

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	50	100
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	50	100
Spending Subject to Appropriation (Outlays)	*	391	891

Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035? < \$2.5 billion	Statutory pay-as-you-go procedures apply?	Yes
	Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035? < \$5 billion	Contains intergovernmental mandate?	No
	Contains private-sector mandate?	No

* = between zero and \$500,000.

The bill would

- Establish a foundation to conserve areas of biodiversity in foreign countries
- Authorize the appropriation of \$1 million in 2024 and \$100 million a year over the 2025-2035 period for the foundation
- Permit the foundation to borrow funds for its operations and grants
- Allow the foundation to accept and use gifts and donations

Estimated budgetary effects would mainly stem from

- Authorizing appropriations for the foundation
- Providing the foundation the authority to borrow funds

Areas of significant uncertainty include

- Anticipating the extent to which the foundation would borrow funds

Detailed estimate begins on the next page.

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)

Bill Summary

H.R. 6727 would establish the United States Foundation for International Conservation as a charitable nonprofit corporation based in Washington, D.C. The foundation would make grants and promote the long-term conservation and management of areas with high levels of biodiversity. The bill would authorize annual appropriations for the foundation through 2035 and allow it to borrow funds and to accept gifts and donations.

CBO concludes that the foundation’s activities would be governmental in nature and that it should be classified as a federal entity for the following reasons:

- The foundation would be established and terminated by an act of Congress;
- It would be governed by a board comprised of federal officials and private individuals selected by federal officials;
- It would be required to report annually to the Congress on its activities; and
- The foundation would be authorized to receive federal appropriations.

Estimated Federal Cost

The estimated budgetary effects of H.R. 6727 are shown in Table 1. The costs of the legislation fall within budget function 150 (international affairs).

Table 1. Estimated Budgetary Effects of H.R. 6727													
By Fiscal Year, Millions of Dollars												2024- 2029	2024- 2034
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034		
Increases in Direct Spending													
Estimated Budget Authority	0	10	10	10	10	10	10	10	10	10	10	50	100
Estimated Outlays	0	10	10	10	10	10	10	10	10	10	10	50	100
Increases in Spending Subject to Appropriation													
Authorization	1	100	100	100	100	100	100	100	100	100	100	501	1,001
Estimated Outlays	*	26	75	90	100	100	100	100	100	100	100	391	891

* = between zero and \$500,000.

Basis of Estimate

For this estimate, CBO assumes that H.R. 6727 will be enacted in fiscal year 2024 and that the foundation would be established in fiscal year 2025.

Direct Spending

H.R. 6727 would authorize the foundation to borrow money and issue bonds and other debt instruments without limitation. Such indefinite borrowing authority is a type of budget authority that is classified as an increase in direct spending to the extent the authority is used.

CBO expects that the foundation would borrow funds to finance its operations, programs, and grant-making in advance of receiving appropriations each year and that it would use subsequent appropriations, gifts, and donations to liquidate its debt. For purposes of this estimate, CBO assumes that the foundation would borrow about \$10 million each year (equivalent to 10 percent of the annual appropriations authorized by the bill). Thus, enacting the bill would increase direct spending by \$100 million over the 2024-2034 period.

In addition, CBO estimates that authorizing the foundation to accept and use gifts and donations would reduce net direct spending by an insignificant amount over the 2024-2034 period.

Spending Subject to Appropriation

H.R. 6727 would authorize the appropriation of \$1,001 million over the 2024-2034 period for the foundation. (It would authorize an additional \$100 million for 2035.) On the basis of spending by similar organizations, CBO estimates that implementing the bill would cost \$891 million over the 2024-2034 period, subject to the appropriation of the specified amounts. (The remainder would be spent after 2034).

Uncertainty

CBO's estimate of the budgetary effects of H.R. 6727 is subject to some uncertainty. It is difficult to anticipate when and to what extent the foundation would use its borrowing authority. As a result, the increases in direct spending under the bill could be significantly greater than or less than estimated.

Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 1 under the heading "Increases in Direct Spending".

Increase in Long-Term Net Direct Spending and Deficits

CBO estimates that enacting H.R. 6727 would not increase net direct spending by more than \$2.5 billion in any of the four consecutive 10-year periods beginning in 2035.

CBO estimates that enacting H.R. 6727 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2035.



Mandates

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

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