

## At a Glance

### S. 3176, United States-Israel Security Authorization Act of 2020

As reported by the Senate Committee on Foreign Relations on June 3, 2020

| By Fiscal Year, Millions of Dollars        | 2020     | 2020-2025 | 2020-2030 |
|--|----------|-----------|-----------|
| Direct Spending (Outlays)                  | *        | *         | *         |
| Revenues                                   | <b>0</b> | <b>0</b>  | <b>0</b>  |
| Increase or Decrease (-)<br>in the Deficit | *        | *         | *         |

|  |          |               |               |
|--|----------|---------------|---------------|
| Spending Subject to<br>Appropriation (Outlays) | <b>0</b> | <b>16,544</b> | <b>26,449</b> |
|--|----------|---------------|---------------|

|  |            |                                     |           |
|--|------------|-------------------------------------|-----------|
| Statutory pay-as-you-go procedures<br>apply?   | <b>Yes</b> | <b>Mandate Effects</b>              |           |
| Increases on-budget deficits in any<br>of the four consecutive 10-year<br>periods beginning in 2031? | <b>No</b>  | Contains intergovernmental mandate? | <b>No</b> |
|  |            | Contains private-sector mandate?    | <b>No</b> |

\* = between -\$500,000 and \$500,000.

#### The bill would

- Authorize appropriations of \$3.3 billion annually over the 2021-2028 period for security assistance to Israel
- Authorize additional assistance and cooperative programs
- Extend the authority to transfer defense items
- Extend the authority to make loan guarantees

#### Estimated budgetary effects would primarily stem from

- Authorizing appropriations for assistance to Israel

**Detailed estimate begins on the next page.**

## Bill Summary

S. 3176 would authorize appropriations for security assistance to Israel. The bill also would authorize other programs and require the Administration to provide several reports to the Congress. CBO estimates that appropriation of the specified and estimated amounts would increase outlays by \$16.5 billion over the 2020-2025 period and by \$26.4 billion over the 2020-2030 period.

In addition, CBO estimates that enacting S. 3176 would have insignificant effects on direct spending over the 2020-2030 period.

## Estimated Federal Cost

The estimated budgetary effects of S. 3176 are shown in Table 1. The costs of the legislation fall within budget functions 150 (international affairs), 270 (energy), 350 (agriculture), 550 (health), and 750 (administration of justice).

**Table 1.**  
**Estimated Budgetary Effects of S. 3176**

|  | By Fiscal Year, Millions of Dollars |       |       |       |       |       | 2020-2025 |
|--|-------------------------------------|-------|-------|-------|-------|-------|-----------|
|  | 2020                                | 2021  | 2022  | 2023  | 2024  | 2025  |           |
| Increases in Spending Subject to Appropriations <sup>a</sup> |                                     |       |       |       |       |       |           |
| Security Assistance  |                                     |       |       |       |       |       |           |
| Authorization  | 0                                   | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 16,500    |
| Estimated Outlays  | 0                                   | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 16,500    |
| Other Assistance   |                                     |       |       |       |       |       |           |
| Authorization  | 0                                   | 12    | 12    | 2     | 2     | 2     | 40        |
| Estimated Outlays  | 0                                   | 6     | 11    | 12    | 7     | 3     | 39        |
| Miscellaneous Provisions                                     |                                     |       |       |       |       |       |           |
| Estimated Authorization                                      | 0                                   | 1     | 1     | 1     | 1     | 1     | 5         |
| Estimated Outlays  | 0                                   | 1     | 1     | 1     | 1     | 1     | 5         |
| Total Changes  |                                     |       |       |       |       |       |           |
| Estimated Authorization                                      | 0                                   | 3,313 | 3,313 | 3,303 | 3,303 | 3,303 | 16,545    |
| Estimated Outlays  | 0                                   | 3,307 | 3,312 | 3,313 | 3,308 | 3,304 | 16,544    |

a. In addition to the budgetary effects shown above, CBO estimates that implementing S. 3176 would cost \$9.9 billion over the 2026-2030 period, subject to the appropriation of the specified amounts. Enacting S. 3176 would have insignificant effects on direct spending over the 2020-2030 period.

## Basis of Estimate

For this estimate, CBO assumes that S. 3176 will be enacted near the start of fiscal year 2021 and that the authorized and estimated amounts will be appropriated each fiscal year.

**Spending Subject to Appropriation**

S. 3176 would authorize appropriations totaling \$26.4 billion over the 2021-2028 period for security assistance to Israel and also would authorize smaller amounts for other assistance and cooperative programs. CBO estimates that implementing S. 3176 would cost \$16.5 billion over the 2020-2025 period and \$26.4 billion over the 2020-2030 period; such spending would be subject to the appropriation of the specified and estimated amounts.

**Security Assistance.** Section 103 would authorize appropriations of \$3.3 billion annually over the 2021-2028 period to be provided as grants to Israel under the Foreign Military Financing program. Public Law 116-94 appropriated \$3.3 billion for that purpose in 2020. CBO estimates that implementing those grants would cost \$16.5 billion over the 2020-2025 period and \$26.4 billion over the 2020-2030 period.

**Other Assistance.** The bill would authorize other types of assistance to Israel. In total, CBO estimates that implementing these provisions would cost \$39 million over the 2020-2025 period.

Section 207 would authorize appropriations totaling \$30 million over the 2021-2023 period for bilateral and cooperative programs with Israel:

- \$12 million for a cooperative program on health technology;
- \$12 million for a bilateral energy center; and
- \$6 million for cooperative programs in energy, water, agriculture, border security, and other fields.

Section 202 would authorize appropriations of \$2 million annually over the 2021-2025 period for cooperative projects to address challenges related to water usage, agriculture, and energy storage. CBO estimates that implementing those projects would cost \$9 million over the same period.

**Miscellaneous Provisions.** Several provisions in S. 3176 would require the Administration to report on its implementation of the bill and on aspects of the relationship between the United States and Israel. It also would authorize and encourage federal entities to collaborate with their Israeli counterparts. On the basis of the costs of similar reporting requirements and information from those entities, CBO estimates that implementing those provisions would cost \$1 million each year and total \$5 million over the 2020-2025 period and \$10 million over the 2020-2030 period.

**Direct Spending**

CBO estimates that other provisions in S. 3176 would affect direct spending by insignificant amounts over the 2020-2030 period. Enacting the legislation would not affect revenues.

**Arms Sales.** Section 104 would extend through 2025 the President’s authority to transfer obsolete or surplus defense articles in the War Reserve Stockpile for Allies in Israel to Israel. Section 106 would authorize the transfer of precision guided munitions to Israel. Those transfers could affect the Foreign Military Sales program. Through that program, the Department of Defense transfers defense articles and services to foreign countries. Those countries pay all costs associated with such sales, and the amounts received are available for obligation without further appropriation; therefore, CBO estimates that enacting those provisions would have no net effect on direct spending over time.

**Loan Guarantees.** Section 105 would extend through 2025 the availability of appropriations that are available under current law to guarantee loans to Israel. Israel last used that authority in 2005 and pays an up-front fee to cover the expected subsidy costs of those loan guarantees. Thus, CBO expects that if the authority were used to guarantee any new loans, it would have no net budgetary effect.

### **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. CBO estimates that enacting S. 3176 would have insignificant effects on direct spending and would not affect revenues.

**Increase in Long-Term Deficits: None.**

**Mandates: None.**

### **Previous CBO Estimate**

On September 17, 2019, CBO transmitted [a cost estimate for H.R. 1837](#), the United States-Israel Cooperation Enhancement and Regional Security Act, as passed by the House of Representatives on July 23, 2019. The two bills are similar. However, H.R. 1837 would authorize appropriations for assistance to Israel over a five-year period; S. 3176 would authorize appropriations for eight years. Thus, CBO’s estimate of the cost of implementing S. 3176 is correspondingly higher.

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## Federal Costs:

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