



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

November 1, 2007

H.R. 3887
William Wilberforce Trafficking Victims Protection
Reauthorization Act of 2007

As ordered reported by the House Committee on Foreign Affairs on October 23, 2007

SUMMARY

H.R. 3887 would reauthorize several programs within the Departments of State, Labor, Justice, and Health and Human Services, and other agencies that combat trafficking in persons. The bill would specifically authorize the appropriation of \$207 million in 2008 and \$872 million over the 2008-2011 period. In addition, CBO estimates that the bill would increase the responsibilities of the Department of Labor (DOL) with respect to foreign labor contractors and spending by the Department of Health and Human Services (HHS) on medical and foster care for certain unaccompanied alien children. In total, CBO estimates that implementing the bill would increase discretionary costs by about \$825 million over the 2008-2012 period, assuming appropriation of the specified and estimated amounts.

In addition, CBO estimates H.R. 3887 would increase direct spending by \$1 million in 2008, \$20 million over the 2008-2012 period, and \$61 million over the 2008-2017 period, primarily by expanding eligibility for certain public assistance programs. Finally, the bill would increase collections of certain fines (recorded as revenues), but CBO estimates those effects would not be significant.

Section 4 of Unfunded Mandates Reform Act (UMRA) excludes from the application of that act any legislative provisions that enforce the constitutional rights of individuals. CBO has determined that section 236(d)(5) addresses the due process rights of aliens in certain legal proceedings and thus would fall within that exclusion. Therefore, CBO has not reviewed that section of the bill for intergovernmental and private-sector mandates.

Other provisions of H.R. 3887 contain intergovernmental mandates as defined in UMRA, but CBO estimates that the annual cost of those mandates would not exceed the threshold established in UMRA (\$66 million in 2007, adjusted annually for inflation).

H.R. 3887 also would impose private-sector mandates, as defined in UMRA, on foreign labor contractors and employers who use such contractors. (Foreign labor contractors include persons who recruit, solicit, or hire foreign workers living outside the United States for employment in the United States.) The bill would require foreign labor contractors to obtain a certificate of registration from DOL before engaging in contracting activities and to disclose certain information in writing about employment opportunities. In addition, the bill would require employers who use foreign labor contractors to use only those that have registered with DOL. Based on information from DOL, CBO estimates the aggregate direct cost to comply with those mandates would not exceed the annual threshold for private-sector mandates established in UMRA (\$131 million in 2007, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3887 is shown in Table 1. The costs of this legislation fall within budget functions 150 (international affairs), 500 (education, training, employment, and social services), 550 (health), 600 (income security), and 750 (administration of justice).

TABLE 1. ESTIMATED BUDGETARY IMPACT OF H.R. 3887^a

	By Fiscal Year, in Millions of Dollars				
	2008	2009	2010	2011	2012
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	220	230	241	252	21
Estimated Outlays	88	159	197	224	155
CHANGES IN DIRECT SPENDING^b					
Estimated Budget Authority	1	4	4	5	6
Estimated Outlays	1	4	4	5	6

Note: Components may not sum to totals in text because of rounding.

- a. In addition to effects on spending subject to appropriation and direct spending, CBO estimates enacting H.R. 3887 would have an insignificant effect on revenues.
- b. In addition to the direct spending effects shown here, enacting H.R. 3887 would have additional effects on direct spending after 2012 (see Table 3). The bill would increase direct spending by \$20 million over the 2008-2012 period and by \$61 million over the 2008-2017 period, CBO estimates.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 3887 will be enacted before the end of calendar year 2007, that the specified and estimated authorization amounts will be appropriated near the start of each fiscal year, and that outlays will follow historical spending patterns for existing and similar programs.

Spending Subject to Appropriation

H.R. 3887 would specifically authorize the appropriation of \$207 million in 2008 and \$872 million over the 2008-2011 period. CBO estimates that new responsibilities and reports contained in the bill would require additional appropriations of \$13 million in 2008 and \$91 million over the 2008-2012 period. In total, CBO estimates that implementing this legislation would cost about \$825 million over the 2008-2012 period, assuming appropriation of the specified and estimated amounts (see Table 2).

Department of Justice. As detailed below, H.R. 3887 would authorize the appropriation of \$83 million in 2008 and \$355 million over the 2008-2012 period for Department of Justice (DOJ) programs to combat trafficking in persons. CBO estimates that implementing those provisions would cost \$309 million over the 2008-2012 period, assuming appropriation of the specified amounts.

- Section 214 would authorize the appropriation of \$33 million over the 2008-2011 period for DOJ to make grants to state, local, and tribal governments and nonprofit organizations for programs to assist victims of human trafficking.
- Section 301 would authorize the appropriation of \$16 million for each of fiscal years 2008-2011 for DOJ to make grants to state, local, and tribal governments and nonprofit organizations for other programs to serve victims of trafficking.
- Section 301 would authorize the appropriation of \$15 million for each of fiscal years 2008-2011 for the Federal Bureau of Investigation to investigate severe forms of trafficking in persons.

TABLE 2. COMPONENTS OF SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 3887

	By Fiscal Year, in Millions of Dollars				
	2008	2009	2010	2011	2012
CHANGES IN SPENDING SUBJECT TO APPROPRIATION^a					
Department of Justice					
Authorization Level	83	86	91	96	0
Estimated Outlays	42	63	73	83	48
Overseas Assistance					
Estimated Authorization Level	64	64	64	64	*
Estimated Outlays	8	33	48	56	50
Department of Health and Human Services					
Estimated Authorization Level	41	48	55	61	12
Estimated Outlays	16	37	48	56	43
Department of Labor					
Estimated Authorization Level	24	24	24	24	8
Estimated Outlays	16	19	21	22	12
Department of State					
Estimated Authorization Level	7	7	7	7	0
Estimated Outlays	5	6	6	6	1
Other Provisions					
Estimated Authorization Level	1	1	1	1	1
Estimated Outlays	1	1	1	1	1
Total Changes					
Estimated Authorization Level	220	230	241	252	21
Estimated Outlays	88	159	197	224	155

Note: * = less than \$500,000.

a. Five-year costs in text and totals in the table differ slightly from a summation of the annual costs shown here because of rounding.

- Section 301 would authorize the appropriation of \$18 million for each of fiscal years 2008-2011 for Immigration and Customs Enforcement to investigate severe forms of trafficking in persons.
- Section 302 would authorize the appropriation of \$25 million for each of fiscal years 2008-2011 for DOJ to make grants to state, local, and tribal governments for programs to combat trafficking in persons.
- Section 302 also would authorize the appropriation of \$7 million for each of fiscal years 2008-2011 for DOJ programs to reduce trafficking in persons in the United States.

Overseas Assistance. Section 301 would authorize the appropriation of \$31 million a year over the 2008-2011 period to the Secretary of State and \$31 million a year to the President in those same years for programs to prevent trafficking in persons, to protect victims of trafficking, for research on domestic and international trafficking in persons, to prevent refugees and internally displaced persons from being exploited by traffickers, and to assist foreign states in eliminating trafficking in persons. In addition, the U.S. Agency for International Development (USAID) would be required to make annual reports to the Congress on human rights practices; CBO estimates this requirement would cost less than \$500,000 each year, assuming availability of appropriated funds. Section 302 would authorize the appropriation of \$3 million a year for 2008 through 2011 to USAID to continue a pilot program that establishes residential treatment facilities in foreign countries to treat victims of trafficking. CBO estimates that implementing those provisions would cost \$8 million in 2008 and \$195 million over the 2008-2012 period, assuming appropriation of the necessary amounts.

Department of Health and Human Services. As detailed below, H.R. 3887 would specifically authorize the appropriation of \$38 million in 2008 and \$173 million over the 2008-2012 period for HHS programs. Furthermore, CBO estimates that one provision would require additional appropriations of \$44 million over the 2008-2012 period. CBO estimates that implementing those provisions would cost \$16 million in 2008 and \$200 million over the 2008-2012 period, assuming appropriation of the necessary amounts.

- Section 214 would authorize the appropriation of \$33 million over the 2008-2011 period for HHS to make grants to state, local, and tribal governments and nonprofit organizations for programs to assist victims of human trafficking.

- Section 301 would authorize the appropriation of \$15 million for each of fiscal years 2008-2011 for HHS to provide assistance to trafficking victims in the United States, including those who would gain eligibility as a result of changes made in Title II.
- Section 302 also would authorize the appropriation of \$15 million annually over the 2008-2011 period for HHS to make grants to victims' services organizations.
- Section 302 would authorize the appropriation of \$5 million annually over the 2008-2011 period for HHS to establish residential treatment facilities for juveniles subjected to trafficking.

Section 236 would change current law regarding the repatriation of unaccompanied alien children in the United States and would authorize HHS to provide individuals who have special status as juvenile immigrants with both foster care and medical care. Based on information from HHS and the Department of Homeland Security (DHS), CBO estimates that, in 2008, the requirement to provide foster care payments would affect about 400 children and the requirement to provide medical care would affect about 500 children, with the estimated number of children doubling by 2017. Using information from HHS and the Centers for Medicare and Medicaid Services, CBO estimates the average monthly foster care payment would be \$1,300 and the average annual medical costs would be about \$2,600 in 2008. Adjusting for inflation and a slight lag in implementing the provision in 2008, CBO estimates that implementing those provisions would cost \$3 million in 2008 and \$43 million over the 2008-2012 period, assuming appropriation of the necessary amounts.

Department of Labor. CBO estimates that, in total, H.R. 3887 would increase spending for DOL by \$16 million in 2008 and \$90 million over the 2008-2012 period, assuming appropriation of the necessary amounts.

The bill would authorize appropriations of \$15 million for each of fiscal years 2008-2011 for DOL to provide benefits and services to victims of severe forms of trafficking of persons in the United States and \$1 million annually over the same time period to fund activities at the Bureau of International Labor Affairs to combat forced labor and child labor. CBO estimates that implementing those provisions would cost \$58 million over the 2008-2012 period, assuming appropriation of the authorized amounts.

Section 202 would require DOL to establish an electronic process for registering foreign labor contractors, and would require the department to investigate and dispose of complaints related to any foreign labor contractor's failure to comply with the act. DOL currently performs such duties for farm labor contractors under the Migrant and Seasonal Farmworkers Act. Based on the current costs of those activities, CBO estimates that DOL would require additional discretionary resources of \$8 million a year. CBO estimates that implementing

this provision would cost \$5 million in 2008 and \$32 million over the 2008-2012 period, assuming appropriation of the estimated amounts.

Department of State. Section 301 would authorize the appropriation of \$7 million for each of fiscal years 2008-2011 for operating expenses of the Interagency Task Force, which coordinates the implementation of the Trafficking Victims Protection Act, and the department's Office to Combat and Monitor Trafficking. CBO estimates that implementing those provisions would cost \$5 million in 2008 and \$24 million over the 2008-2012 period, assuming appropriation of the authorized amounts. In addition, the bill would establish a new rewards program to recognize individuals or organizations for their extraordinary efforts in fighting trafficking in people. Based on information from the department about a comparable program, CBO estimates this provision would cost about \$250,000 a year, assuming availability of appropriated funds.

Other Provisions. Section 405 would prohibit funds from being used to carry out military programs with governments that the Secretary of State determines use child soldiers. Such programs include educating and training soldiers from other nations and financing the procurement of weapons for other countries. The President would be able to waive the prohibition if it were in the interest of the United States to do so. CBO has no basis for projecting how this provision would be implemented by the Administration, and therefore cannot estimate its effect on federal spending.

CBO estimates that several other provisions in H.R. 3887, when combined, would cost \$1 million annually over the 2008-2012 period, assuming availability of appropriated funds. Some of those provisions would impose new or expanded reporting requirements, require a new information pamphlet on legal rights and resources for certain visa applicants, and create new positions at the DOJ and DOL to better coordinate anti-trafficking programs.

Direct Spending and Revenues

CBO estimates that H.R. 3887 would increase direct spending by \$1 million in 2008, \$20 million over the 2008-2012 period, and \$61 million over the 2008-2017 period, primarily by expanding eligibility for certain entitlement programs. The bill also would increase collections of certain fines (revenues), but CBO estimates that those effects would not be significant (see Table 3).

TABLE 3. COMPONENTS OF DIRECT SPENDING UNDER H.R. 3887

	By Fiscal Year, in Millions of Dollars											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2012	2017
CHANGES IN DIRECT SPENDING												
Foster Care												
Estimated Budget Authority	1	3	3	4	4	5	5	6	6	7	15	44
Estimated Outlays	1	3	3	4	4	5	5	6	6	7	15	44
Public Assistance												
Estimated Budget Authority	*	1	1	1	2	2	2	2	3	3	5	17
Estimated Outlays	*	1	1	1	2	2	2	2	3	3	5	17
Total Changes												
Estimated Budget Authority	1	4	4	5	6	7	7	8	9	10	20	61
Estimated Outlays	1	4	4	5	6	7	7	8	9	10	20	61

Note: * = less than \$500,000.

Foster Care. Section 236 would require the federal government to reimburse states for the cost of foster care provided to special immigrant juveniles not covered elsewhere in the bill (see the heading “Department of Health and Human Services” above in the section on “Spending Subject to Appropriation.”) We estimate that this provision would affect about 160 children in 2008, with the number of children doubling by 2017, and that the average monthly foster care payment would be about \$1,300 in 2008. Adjusting for anticipated inflation and a slight lag in implementing the program in 2008, CBO estimates that providing foster care payments to those children would increase direct spending by \$1 million in 2008, \$15 million over the 2008-2012 period, and \$44 million over the 2008-2017 period.

Public Assistance. H.R. 3887 would affect public benefits such as Food Stamps, Medicaid, and Supplemental Security Income (SSI) in five ways:

- Section 201 would expand eligibility for T visas, a nonimmigrant visa, for those brought into the country as witnesses in a judicial proceeding and for adult victims’ parents and siblings who are threatened because of the victim’s cooperation with law enforcement;

- Section 201 would expand eligibility for continued presence in the United States, a nonimmigrant legal status, for trafficking victims who have filed a civil suit against their traffickers;
- Section 201 would expand eligibility for parole, a nonimmigrant legal status that allows entry into the United States, for relatives of victims with continued presence status;
- Section 212 would grant interim access to benefits to those individuals whose application for a T visa is pending; and
- Section 213 would grant interim benefits to children whose certification as a victim of severe trafficking is pending.

Based on information from DHS and DOL, and conversations with other immigration and trafficking experts, CBO projects that those provisions would enable 100-150 additional people per year to become eligible for the entitlement benefits available to refugees, such as Food Stamps, Medicaid, and SSI. In addition, CBO forecasts that 125-150 people per year would become eligible for benefits sooner than they would have otherwise. Drawing on information from HHS, CBO expects 40 percent of the affected individuals would be eligible for the Food Stamp program and roughly 15 percent would be eligible for Medicaid and SSI. Presuming average per capita costs, we estimate that those provisions would increase outlays by less than \$500,000 in fiscal year 2008 and \$17 million over the 2008-2017 period.

Criminal Fines. Section 221 would establish new federal crimes for certain offenses relating to human trafficking. Because those prosecuted and convicted under H.R. 3887 would be subject to criminal fines, the federal government might collect additional fines if the bill is enacted. Collections of such fines are recorded in the budget as revenues, deposited in the Crime Victims Fund, and later spent. CBO expects that any additional revenues and direct spending would not be significant.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

Section 4 of UMRA excludes from the application of that act any legislative provisions that enforce the constitutional rights of individuals. CBO has determined that section 236(d)(5) addresses the due process rights of aliens in certain legal proceedings and thus would fall within that exclusion. Therefore, CBO has not reviewed that section of the bill for intergovernmental and private-sector mandates.

Other provisions of H.R. 3887 contain intergovernmental mandates as defined in UMRA, but CBO estimates that the annual cost of those mandates would not exceed the threshold established in UMRA (\$66 million in 2007, adjusted annually for inflation).

If state or local officials have reason to believe a person may be a juvenile victim of trafficking, the bill would require those officials to notify the Secretary of HHS within 72 hours. CBO estimates that the administrative cost of this mandate would not be significant.

In addition, H.R. 3887 would require the Secretary of HHS to place a juvenile victim of trafficking with a person capable of providing for the child's physical and mental well-being. For this purpose, the bill would require state and local agencies to give the federal government access to law enforcement and immigration databases to verify the potential caretaker's identity and to investigate any criminal record. State and local governments would incur administrative costs associated with any increased usage of their databases, but CBO estimates that requests associated with the placement of juvenile victims of trafficking would be infrequent, and any incremental administrative costs would be small.

The bill would impose private-sector mandates, as defined in UMRA, on foreign labor contractors and employers who use such contractors. The bill would require any person who is a foreign labor contractor to obtain a certificate of registration from DOL before engaging in contracting activities. As defined in the bill, such activities include recruiting, soliciting, hiring, employing, or furnishing an individual who lives outside of the United States to be employed in the United States. Foreign labor contractors also would be required to disclose certain information about the employment opportunity in writing to each worker who is recruited for employment. In addition, the bill would require employers who use foreign labor contractors to use only those that have registered with the DOL. Based on information from DOL, CBO estimates the aggregate direct cost to comply with those mandates would not exceed the annual threshold for private-sector mandates established in UMRA (\$131 million in 2007, adjusted annually for inflation).

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