



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

September 3, 1998

**H.R. 3898**  
**Speed Trafficking Life In Prison Act of 1998**

*As ordered reported by the House Committee on the Judiciary on July 13, 1998*

This legislation would amend the Controlled Substances Act and the Controlled Substances Import and Export Act to lower the amounts of methamphetamine (speed) that trigger mandatory prison sentences and criminal fines for drug trafficking offenses and to raise certain mandatory sentences and fines. As a result, CBO estimates that enacting H.R. 3898 would result in additional costs to the federal government to incarcerate prisoners for longer periods of time. We estimate that these costs would total about \$9 million over fiscal years 1999 through 2003, assuming appropriation of the necessary amounts. Because H.R. 3898 could affect direct spending and receipts, pay-as-you-go procedures would apply to the bill; however, CBO estimates that the amounts involved would be less than \$500,000 annually. H.R. 3898 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on the budgets of state, local, or tribal governments.

Current law provides for mandatory minimum prison sentences for drug trafficking offenses involving certain amounts of methamphetamine. For example, a person convicted of distributing 10 grams or more of methamphetamine faces a prison sentence of at least five years. H.R. 3898 would lower the amounts necessary to trigger mandatory sentences (from 10 grams to 5 grams) and would raise the minimum sentence for offenses involving 50 grams from five years to 10 years. The bill also would lower the amounts of methamphetamine necessary to trigger criminal fines. Finally, H.R. 3898 would require the U.S. Sentencing Commission to analyze the impact of the bill's provisions on prison sentences and report to the Congress within one year of enactment.

According to the U.S. Sentencing Commission, the longer sentences required by H.R. 3898 would increase the prison population by roughly 400 prisoners a year by fiscal year 2003. At an annual cost per prisoner of about \$8,700 (at 1998 prices), CBO estimates that the cost to support these additional prisoners would be about \$9 million over the 1999-2003 period. The full budgetary effects of H.R. 3898 would not be realized until after 30 years, when the additional prison population resulting from this bill would stabilize at roughly 1,600 prisoners per year. Assuming no significant change in the number of annual convictions, the

cost to the prison system on a long-term basis would reach about \$14 million annually (at 1998 prices), subject to the availability of appropriated funds. According to the Sentencing Commission, the number of methamphetamine offenders prosecuted in federal court increased by 73 percent between 1995 and 1997. If that trend continues, the number of annual convictions would rise significantly, and as a result, costs under H.R. 3898 would be much higher than estimated above. CBO estimates that the analysis required of the U.S. Sentencing Commission would cost less than \$100,000.

Furthermore, a new federal prison would probably have to be constructed between 10 and 20 years after enactment to support the anticipated increase in prison population. Based on information from the Bureau of Prisons, CBO estimates that added construction costs would be about \$85 million (in 1998 dollars).

Enacting H.R. 3898 could increase governmental receipts through greater collections of criminal fines. Because the bill would increase the maximum fine that could be levied for offenses involving certain amounts of methamphetamine, however, CBO does not expect any increased collections of fines to exceed \$500,000 per year. Criminal fines are deposited in the Crime Victims Fund and spent the following year. Thus, any change in direct spending from the fund would match any increase in revenues attributable to H.R. 3898, with a one-year lag.

The CBO staff contact for this estimate is Mark Grabowicz. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.