



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 26, 1999

S. 976

Youth Drug and Mental Health Services Act

*As ordered reported by the Senate Committee on Health, Education, Labor,
and Pensions on July 28, 1999, and amended by the
managers' amendment dated October 22, 1999*

SUMMARY

S. 976 would reauthorize certain programs of the Substance Abuse and Mental Health Services Administration (SAMHSA) through fiscal year 2002. The bill would consolidate programs currently operated under the Knowledge and Development Application (KDA) and Targeted Capacity Expansion (TCE) programs into three programs that target priorities for mental health and prevention and treatment of substance abuse. The bill would explicitly repeal certain programs and would transfer general discretionary grant authority for demonstrations, training, and other purposes to these new programs. In addition, the bill would reauthorize SAMHSA's Mental Health and Substance Abuse Prevention and Treatment Block Grants and would continue the transition of those block grant programs into federal-state performance partnerships. S. 976 also would create several new programs that focus on children and adolescents.

To fund programs administered by SAMHSA, the bill would authorize the appropriation of about \$4.1 billion for 2000 and such sums as may be necessary for 2001 and 2002. Assuming the appropriation of the necessary amounts, CBO estimates that implementing S. 976 would cost about \$1.5 billion in 2000 and \$12.2 billion over the 2000-2004 period. Enacting S. 976 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 976 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). However, the bill would provide significant funding to both public and private entities for programs dealing with substance abuse and mental health.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 976 is shown in the following table. For the purposes of this estimate, CBO assumes that the bill will be enacted this fall and that the necessary appropriations will be provided for each fiscal year. The table summarizes the budgetary impact of the legislation under two different sets of assumptions. The first set of assumptions provides the estimated levels of authorizations with annual adjustments for anticipated inflation, when appropriate, after fiscal year 2000. The second set of assumptions does not include any such inflation adjustments. The costs of this legislation would fall within budget function 550 (health).

	By Fiscal Year, in Millions of Dollars					
	1999	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION						
With Adjustments for Inflation						
SAMHSA Spending Under Current Law						
Budget Authority ^a	2,488	b	0	0	0	0
Estimated Outlays	2,235	1,427	182	75	0	0
Proposed Changes						
Estimated Authorization Level	0	4,122	4,266	4,358	0	0
Estimated Outlays	0	1,452	3,317	3,976	2,634	787
SAMHSA Spending Under S. 976						
Estimated Authorization Level ^a	2,488	4,122	4,266	4,358	0	0
Estimated Outlays	2,235	2,879	3,499	4,050	2,634	787
Without Adjustments for Inflation						
SAMHSA Spending Under Current Law						
Budget Authority ^a	2,488	b	0	0	0	0
Estimated Outlays	2,235	1,427	182	75	0	0
Proposed Changes						
Estimated Authorization Level	0	4,122	4,122	4,122	0	0
Estimated Outlays	0	1,452	3,267	3,828	2,510	750
SAMHSA Spending Under S. 976						
Estimated Authorization Level ^a	2,488	4,122	4,122	4,122	0	0
Estimated Outlays	2,235	2,879	3,449	3,903	2,510	750

a. The 1999 level is the amount appropriated for that year.

b.

Amounts appropriated for SAMHSA in Public Laws 106-62 and 106-75, the fiscal year 2000 continuing resolutions that provide funding through October 29, 1999, are not included in this estimate. Thus far, no full-year appropriations for SAMHSA programs have been provided for 2000.

BASIS OF ESTIMATE

Provisions Relating to Services For Children and Adolescents

Projects for Children and Violence. S. 976 would authorize two discretionary grant programs that focus on issues surrounding children and violence. The bill would authorize the appropriation of \$100 million in 2000 and such sums as necessary for 2001 and 2002 for making grants to public entities in support of local community programs. The bill also would allow the Secretary of Health and Human Services (HHS) to use those funds to carry out community assistance programs. Projects supported by grants must adopt a comprehensive approach to helping children deal with violence. S. 976 also would authorize \$50 million in 2000 and such sums as necessary for 2001 and 2002 for a grant program to sponsor the development of best practices for treating psychiatric disorders associated with violence-related stress. Grant assistance would also be available to establish technical assistance centers that would directly help communities deal with violence. These programs would cost \$18 million in 2000 and \$422 million during the 2000-2004 period, assuming appropriation of the necessary amounts.

High-Risk Youth. The bill would reauthorize the High-Risk Youth Program at such sums as necessary for 2000 through 2002. Based on the amount spent on this activity in the past, CBO estimates that continuing the program would require appropriations of about \$7 million a year for 2000 through 2002. Subject to the appropriation of the estimated amounts, CBO estimates that implementing this provision would cost \$2 million in 2000 and \$21 million during the 2000-2004 period.

Substance Abuse Treatment Services for Children and Adolescents. Section 104 of S. 976 would authorize three grant programs that would provide assistance to public and private nonprofit entities for substance abuse services for children and adolescents. Those programs would increase access to substance abuse treatment and early intervention services for children and adolescents and target prevention activities against methamphetamine or inhalant abuse and addiction among youths. The bill would require that SAMHSA conduct an evaluation of methamphetamine and inhalant prevention programs and submit to the Congress an annual report on the effectiveness of those programs. The bill also would authorize a grant program that would fund up to four youth interagency research, training, and technical assistance centers. S. 976 would authorize \$74 million in 2000 for these programs and such sums as necessary in 2001 and 2002. Subject to appropriation of the necessary amounts, CBO estimates that these programs would cost \$7 million in 2000 and \$205 million during the 2000-2004 period.

Comprehensive Community Services for Children with Serious Emotional Disturbances. S. 976 would reauthorize the Comprehensive Community Mental Health Services for Children and Their Families Program through 2002. The bill would allow the Secretary of HHS to waive certain program requirements for territories, Indian tribes, and tribal organizations. The bill also would increase the grant duration from five years to six years. It would permit current grantees to receive a noncompetitive award in the sixth year equal to the amount awarded in the fifth year. The bill would authorize \$100 million for the program in 2000 and such sums as necessary for 2001 and 2002. Subject to appropriation of the necessary amounts, CBO estimates that implementing this provision would cost \$16 million in 2000 and \$290 million over the 2000-2004 period.

Services for Children of Substance Abusers. S. 976 would reauthorize the Services for Children of Substance Abusers Program and transfer its authority within HHS from the Health Resources and Services Administration (HRSA) to SAMHSA. This program was never directly funded under HRSA. The reauthorized program would provide grants to public and private nonprofit entities to support a range of services for children of substance abusers, including primary health care, counseling, and referral services. It also would provide services to affected families and would allow funds to be used for training certain providers of services covered under the program. For this program, S. 976 would authorize appropriations of \$50 million in 2000 and such sums as necessary for 2001 and 2002. Implementing this program would cost \$5 million in 2000 and \$148 million during the 2000-2004 period.

Services for Youth Offenders. Section 107 of the bill would authorize a program to award competitive grants to state and local juvenile justice agencies. Funds would support services for youth offenders following their discharge from juvenile or criminal justice facilities. Individuals qualifying for those services also must have or be at risk of developing a serious and diagnosable mental, behavioral, or emotional disorder. The bill would limit spending on funds used toward planning and transition costs for youths during their incarceration to 20 percent of the amount of each grant. S. 976 would authorize \$40 million in 2000 and such sums as necessary for 2001 and 2002. CBO estimates that implementing this program would cost \$4 million in 2000 and \$111 million during the 2000-2004 period.

Emergency Response. S. 976 would permit the Secretary of HHS to use up to 3 percent of discretionary funds appropriated to SAMHSA under title V of the Public Health Service Act, excluding amounts appropriated to the Project for Assistance in Transition from Homeless (PATH) Program, to make noncompetitive grants to address emergency situations. The bill would require that the Secretary publish objective criteria that would be used to establish the appropriate uses for the emergency funds.

Other Provisions. The bill also would reauthorize the general authorities of SAMHSA under section 501 of the Public Health Service Act. S. 976 would authorize \$25 million in 2000 and such sums as necessary for 2001 and 2002 for the purpose of providing grants, cooperative agreements, and contracts under section 501. According to SAMHSA, authorizations for this program are intended as a safety-net mechanism for the agency; therefore, CBO estimates that no additional amounts would be required for 2001 and 2002. However, assuming the appropriation of the authorized amount in 2000, CBO estimates that minimal spending would arise from this authority—about \$1 million in 2000 and \$8 million over the 2000-2004 period.

Provisions Relating to Mental Health

Priority Mental Health Needs of Regional and National Significance. S. 976 would consolidate SAMHSA's discretionary authorities for certain mental health activities, including those currently funded through its KDA program, under a new program. The bill would repeal certain programs and would transfer general discretionary grant authority for demonstrations, training, and other purposes to the new program. Under the consolidated program, competitive grants would be disbursed to states, political subdivisions of states, Indian tribes and tribal organizations, other public entities, and private nonprofit organizations. Funds could be used to provide training and technical assistance, develop best practices in the mental health field for prevention, treatment and rehabilitation (and evaluations), establish programs to help states and communities target gaps in prevention services, and develop family and consumer networks. S. 976 would authorize \$300 million in 2000 and such sums as necessary for 2001 through 2002. Subject to appropriation of the necessary amounts, CBO estimates that this program would cost \$30 million in 2000 and \$862 million during the 2000-2004 period.

Community Mental Health Services Performance Partnership Block Grant. S. 976 would provide for a full transition of SAMHSA's Block Grants for Community Mental Health Services Program to the Community Mental Health Services Performance Partnership model. The bill would authorize the appropriation of \$450 million for the program in 2000 and such sums as necessary for 2001 and 2002. Subject to appropriation of the necessary amounts, CBO estimates that this provision would cost \$189 million in 2000 and \$1.3 billion during 2000 through 2004.

Under the performance partnership grant program, states enter into agreements, or "performance partnerships," with the Secretary of HHS. The federal-state partnership identifies goals and objectives and develops performance indicators, that will be used to help

states and grant recipients ultimately reach their programmatic targets. The program is designed to foster the development of networks that promote a comprehensive approach to community-based mental health care. The bill would replace the current requirements for state plan submissions with five broad criteria. In addition, S. 976 would establish the amount each state received in 1998 as the minimum allotment for 2000 and subsequent years.

Grants for the Benefit of Homeless Individuals. The bill would authorize \$50 million for this program in 2000 and such sums as necessary for 2001 and 2002. The program received no appropriation in 1999. This program would cost \$8 million in 2000 and \$146 million over the 2000-2004 period, assuming appropriation of the necessary amounts.

PATH Program. The Projects for Assistance in Transition from Homelessness Program would be reauthorized through 2002. The bill also would provide the Secretary of HHS with new authority to waive requirements for entities to provide certain services under the program. The bill would authorize the appropriation of \$75 million a year from 2000 through 2002. Subject to the appropriation of the authorized amounts, this program would cost \$29 million in 2000 and \$218 million during 2000 through 2004.

Protection and Advocacy. S. 976 would reauthorize the Protection and Advocacy for Mentally Ill Individuals Act of 1986 at such sums as necessary for 2000 through 2002. The provision also would revise the minimum allotment formula under the formula grant. In addition, the bill would change the name of the act to the "Protection and Advocacy for Individuals with Mental Illnesses Act." CBO estimates that carrying out this provision would require appropriations of \$23 million a year, adjusted for inflation. Implementing this program would cost \$12 million in 2000 and \$70 million during the 2000-2004 period, assuming appropriation of the estimated amounts.

Provisions Relating to Substance Abuse

Priority Substance Abuse Treatment Needs of Regional and National Significance. S. 976 would replace SAMHSA's substance abuse treatment projects as currently funded under the KDA and TCE programs with a new program that targets treatment needs. The bill would repeal certain programs and would consolidate general discretionary grant authority for demonstrations, training, and other purposes under the new program. The bill would authorize \$300 million in 2000 and such sums as necessary for 2001 and 2002. Assuming appropriation of the necessary amounts, this program would cost \$39 million in 2000 and \$870 million during 2000 through 2004.

Priority Substance Abuse Prevention Needs of Regional and National Significance. Similarly, S. 976 would replace SAMHSA's substance abuse prevention activities as currently funded under the KDA and TCE programs with a new program that funds projects targeting prevention needs. The new program would consolidate SAMHSA's discretionary grant authority for certain substance abuse prevention programs within a single program. The bill would authorize \$300 million in 2000 and such sums as necessary for 2001 and 2002. Subject to the appropriation of necessary funds, this program would cost \$36 million in 2000 and \$869 million during the 2000-2004 period.

Substance Abuse Prevention and Treatment Performance Partnership Block Grant. S. 976 would provide for a full transition of the Substance Abuse Prevention and Treatment Block Grant to the Substance Abuse Prevention and Treatment Performance Partnership Block Grant model. The bill would authorize \$2 billion for 2000 and such sums as necessary for 2001 and 2002. We estimate that this provision would cost \$988 million in 2000 and \$6.1 billion over the 2000-2004 period, assuming appropriation of the necessary funds.

Under the performance partnership model, the Secretary works with the states and other interested groups to develop programmatic goals, objectives, and performance measures with the intent of reducing the prevalence of substance abuse and improving access to preventive and treatment services.

S. 976 would repeal or amend some of the requirements under current law, while retaining others. For example, the bill would remove the mandate that states use 35 percent of funds for alcohol abuse prevention and treatment activities and 35 percent of funds for other drug abuse prevention and treatment activities. In addition, the bill would allow states to request waivers of certain other spending allocation requirements. S. 976 would provide states with greater flexibility in allocating grant funds and allows an additional year to obligate and spend them. The bill also would permanently revise the minimum allotment determination.

Alcohol and Drug Prevention or Treatment Services for Indians and Native Alaskans. S. 976 would authorize grants to provide substance abuse prevention and treatment services for Indian tribes, tribal organizations, and Native Alaskans. The bill also would establish a commission to study and report on health care issues in these populations. It would authorize \$15 million for the prevention and treatment program and \$5 million for the commission in 2000 and such sums as necessary in 2001 and 2002. Subject to appropriation of the necessary amounts, these provisions would cost \$2 million in 2000 and \$55 million during 2000 through 2004.

Other Provisions

Data Infrastructure. S. 976 would authorize such sums as necessary for 2000 through 2002 for a new grant program to support data infrastructure development in the states. To facilitate compliance with performance partnership requirements, the bill would provide financial assistance for states to develop and operate mental health and substance abuse data collection, analysis, and reporting systems. CBO estimates that the necessary authorization would be \$100 million in each year, adjusted for inflation. Assuming appropriation of the estimated amounts, implementing this provision would cost \$10 million in 2000 and \$271 million over the 2000-2004 period.

Miscellaneous Provisions. The bill would provide states with additional flexibility in their use of federal grant funds while enhancing accountability through effective performance measurements. The bill also would reduce some of SAMHSA's administrative costs associated with managing its programs. On balance, CBO estimates that the administrative burden associated with the proposed expansion of programs under SAMHSA's management, including the costs of promulgating new regulations and submitting additional reports to the Congress, would exceed any savings that would be generated by the bill. Although S. 976 does not explicitly authorize funding for program management, CBO estimates authorizations of appropriations for SAMHSA program administration under S. 976 at \$58 million in 2000 and subsequent years, adjusted for inflation. Assuming appropriation of the necessary amounts, such administrative expenses would cost \$57 million in 2000 and \$180 million over the 2000-2004 period.

S. 976 also would require the Secretary of HHS to develop and implement new rules concerning use of seclusion and restraints on residents of certain facilities supported by federal funds. The bill also would apply nondiscrimination and institutional safeguards to religious providers of substance abuse services. In cases where a client objects to the religious nature of the organization, the bill would require that appropriate referral services be provided. CBO assumes that, as a condition of grant assistance, states would bear the cost of enforcing compliance with the referral requirement. Finally, the bill would require that the Secretary of HHS submit a report to the Congress within two years of enactment on the issue of prevention and treatment of individuals with co-occurring mental health and substance abuse disorders.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Enacting S. 976 as amended by the managers' amendment of October 22, 1999, would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

The bill would provide grants to state, local, and tribal governments, as well as other private and nonprofit entities, for substance abuse and mental health programs. The grant programs cover a variety of activities including prevention, intervention, training, counseling, mental health, and community and youth services.

In most cases, the funds authorized by this bill would be available for grants to both public and private (including nonprofit) entities. However, two large block grants would make funds available to states: the Community Mental Health Services Performance Partnership Block Grant (\$450 million in fiscal year 2000) and the Substance Abuse Prevention and Treatment Performance Partnership Block Grant (\$2 billion in fiscal year 2000). The bill also would authorize \$40 million in fiscal year 2000 for grants to state and local juvenile justice agencies that provide services to youth offenders who have or who may be at risk of developing mental, behavioral, or emotional disorders.

In some cases, additional conditions of assistance would be placed on grant programs. However, these conditions would not be intergovernmental mandates as defined in UMRA, and overall, state, local, and tribal governments would benefit from increased funding, the extension of existing grant programs, and in many cases a greater degree of flexibility in administering substance abuse programs.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill contains no private-sector mandates as defined in UMRA.

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