



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 26, 2002

H.R. 4689

Fairness in Sentencing Act of 2002

As ordered reported by the House Committee on the Judiciary on September 10, 2002

SUMMARY

The U.S. Sentencing Commission has proposed a number of amendments to federal sentencing guidelines. Those amendments will take effect on November 1, 2002, if the Congress does not act on them prior to that date. H.R. 4689 would disapprove one part of an amendment, which would limit the length of prison sentences that certain defendants will receive if they are found to be a minor participant in a drug trafficking case.

By disapproving this amendment, H.R. 4689 would result in longer prison sentences for certain defendants. Assuming appropriation of the necessary amounts, CBO estimates that enacting this legislation would result in costs of about \$20 million over the 2003-2007 period to incarcerate such individuals in the federal prison system for longer periods than they would likely serve under the amended guidelines. Enacting H.R. 4689 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply to the bill.

H.R. 4689 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4689 is shown in the following table. The cost of this legislation falls within budget function 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
SPENDING SUBJECT TO APPROPRIATION						
Federal Prison System Spending						
Under Current Law						
Estimated Authorization Level ^a	3,809	3,965	4,100	4,238	4,378	4,526
Estimated Outlays	3,768	3,946	4,084	4,221	4,361	4,508
Proposed Changes						
Estimated Authorization Level	0	*	1	3	7	8
Estimated Outlays	0	*	1	3	7	8
Federal Prison System Spending						
Under H.R. 4689						
Estimated Authorization Level	3,809	3,965	4,101	4,241	4,385	4,534
Estimated Outlays	3,768	3,946	4,085	4,224	4,368	4,516

NOTE: * = Less than \$500,000.

a. The 2002 level is the amount appropriated for that year for salaries and expenses of the Federal Prison System. The 2003-2007 levels represent CBO's baseline estimate for this account (that is, the 2002 level adjusted for anticipated inflation).

BASIS OF ESTIMATE

The U.S. Sentencing Commission has assigned each federal crime a base level, numbered from 1 to 43, which corresponds to a certain recommended length of imprisonment, with higher numbers reflecting longer prison terms. If the amendments to the sentencing guidelines proposed by the commission go into effect on November 1, 2002, level 30 will be the highest level that could be assigned to certain defendants' sentences that are based on the quantity of drugs involved in drug trafficking cases. These defendants would qualify for a lower recommended sentence if found to be a minor participant in the crime. (Additional adjustments could be made from this base level to increase or decrease an individual's sentence.)

According to the commission, roughly 1,300 prisoners a year would receive shorter prison sentences under the amended guidelines. Sentences for such prisoners generally range from less than 1 year to more than 10 years. CBO expects that the average sentence would be reduced by about 1.6 years from 5.8 years to 4.2 years under the amended guidelines. Based on information from the Bureau of Prisons (BOP), CBO estimates that the cost to incarcerate a prisoner for an additional year is about \$7,000 (at 2003 prices). Assuming that the number

of convictions and length of sentences would remain at 2001 levels, CBO estimates that enacting the legislation—and thus disapproving the amended guideline—would increase costs to BOP by about \$20 million over the next five years to incarcerate prisoners for lengthier sentences than they would receive under the amended guidelines. The full budgetary effects of this bill would not be realized until 10 to 15 years after enactment. At that time, the cost to the prison system would reach over \$20 million annually for an additional 2,100 prisoners . These added costs would be subject to the availability of appropriated funds.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4689 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no cost on state, local, or tribal governments.

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