



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 13, 2003

### **H.R. 2620**

### **Trafficking Victims Protection Reauthorization Act of 2003**

*As ordered reported by the House Committee on International Relations on July 23, 2003*

#### **SUMMARY**

H.R. 2620 would reauthorize several programs within the Departments of State, Labor, Justice, and Health and Human Services, and within other agencies that combat trafficking in persons. It would expand the current federal prohibitions against such trafficking and would make more victims of trafficking and their relatives eligible to enter and remain in the United States.

The bill would authorize appropriations of almost \$106 million a year in 2004 and 2005. CBO estimates that implementing the bill would cost \$197 million over the 2004-2008 period, assuming appropriation of the authorized amounts. The bill also contains provisions that would affect direct spending and revenues, but CBO estimates these provisions would not have a significant effect.

H.R. 2620 would impose a private-sector mandate, as defined in the Unfunded Mandates Reform Act (UMRA) on airlines organized under the laws of the United States and other airlines that operate in the United States. CBO expects that the direct costs of the mandate would fall well below the annual threshold established by UMRA (\$117 million in 2003, adjusted annually for inflation). H.R. 2620 contains no intergovernmental mandates as defined in UMRA and would impose no significant costs on state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 2620 is shown in the following table. The costs of this legislation fall within budget functions 150 (international affairs), 500 (education, employment, training, and social services), 550 (health), 600 (income security), and 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars				
	2004	2005	2006	2007	2008
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION<sup>a</sup></b>					
Overseas Assistance					
Authorization Level	61	61	0	0	0
Estimated Outlays	8	32	37	21	10
Department of Health and Human Services					
Authorization Level	15	15	0	0	0
Estimated Outlays	5	10	8	4	2
Department of Justice					
Authorization Level	15	15	0	0	0
Estimated Outlays	4	10	11	5	0
Department of Labor					
Authorization Level	10	10	0	0	0
Estimated Outlays	*	4	9	6	1
Department of State					
Authorization Level	5	5	0	0	0
Estimated Outlays	<u>4</u>	<u>5</u>	<u>1</u>	<u>*</u>	<u>*</u>
Total					
Authorization Level	106	106	0	0	0
Estimated Outlays	21	61	66	36	13

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

a. In addition to effects on spending subject to appropriation, CBO estimates enacting H.R. 2620 would have an insignificant effect on direct spending and receipts.

## Spending Subject to Appropriation

The bill would authorize appropriations of about \$106 million a year in 2004 and 2005 for various programs to combat trafficking in persons. This compares to less than \$60 million in funding for similar programs in 2003, not counting spending by the Department of Labor that may benefit individual victims of trafficking under more general authority. Assuming that H.R. 2620 will be enacted late in fiscal year 2003, that the amounts authorized are appropriated near the start of each fiscal year, and that outlays follow historical spending

patterns, CBO estimates that implementing the bill would cost \$21 million in 2004 and \$197 million over the 2004-2008 period.

**Overseas Assistance.** The bill would authorize appropriations in 2004 and 2005 of \$30 million a year to the Secretary of State and \$30 million a year to the President for programs to prevent trafficking in persons, to protect victims of trafficking, and to assist foreign states in meeting minimum standards for the elimination of trafficking. In addition, the bill would authorize \$0.3 million a year in 2004 and 2005 for voluntary contributions to international organizations to prevent such trafficking and assist in related legal reform, \$0.25 million a year in 2004 and 2005 for training at the International Law Enforcement Academies, and \$0.3 million a year in 2004 and 2005 for research on domestic and international trafficking in persons. CBO estimates that implementing these provisions would cost \$8 million in 2004 and \$108 million over the 2004-2008 period.

**Department of Health and Human Services.** The bill also would authorize appropriations of \$15 million in 2004 and 2005 for refugee assistance to trafficking victims. Under current law, the department plans to spend \$10 million for these activities in 2003. Assuming appropriation of the authorized amounts and that spending from the authorized amounts would be similar to the larger refugee assistance programs administered by the department, CBO estimates that this assistance would cost \$5 million in 2004 and \$29 million over the 2004-2008 period.

**Department of Justice.** Section 7 would authorize appropriations of \$15 million a year in 2004 and 2005 for the Attorney General to provide assistance to victims of trafficking living in the United States. CBO estimates that implementing this section would cost \$30 million over the 2004-2008 period, assuming appropriation of the authorized amounts.

**Department of Labor.** H.R. 2620 would authorize appropriations of \$10 million in 2004 and 2005 for services to trafficking victims. Services for these refugees are currently provided through the Employment and Training Administration, and CBO assumes that spending from the authorized amounts would be similar to those employment and training programs. Assuming appropriation of the authorized amounts, CBO estimates that providing these services would cost \$500,000 in 2004 and \$20 million over the 2004-2008 period.

**Department of State.** Section 7 would authorize appropriations of \$5 million each year in 2004 and 2005 to the State Department for the expenses of monitoring, combating, and reporting on trafficking in persons. Assuming appropriation of the authorized amounts, CBO estimates that implementing this section would cost \$10 million over the 2004-2008 period.

## **Direct Spending and Revenues**

Enacting H.R. 2620 also could affect direct spending and revenues; but CBO estimates that any such changes would not be significant.

**Medicaid and Other Entitlement Benefits.** Certifications under the Trafficking Victims Protection Act have averaged fewer than 15 individuals a month since the program began early in fiscal year 2001. Only a minority of persons certified in 2001 applied for benefits in that year—the only year for which these data are available—and fewer still actually received Medicaid, Food Stamps, or other entitlement benefits. Although the provisions in H.R. 2620 could increase the number of individuals applying for and becoming entitled to certain federal public benefits, CBO expects the changes would result in few new beneficiaries for these benefits. Thus, CBO estimates that under H.R. 2620 any increase in direct spending for these benefit programs would not be significant.

**Immigration Status for Certain Victims.** The bill would make it easier for more victims of trafficking and their relatives to enter and remain in the United States. Costs to the Bureau of Citizenship and Immigration Services for adjudicating such cases would be funded from fees collected by the agency. CBO estimates that any such costs would not be significant because of the relatively small number of trafficking victims likely to be involved.

**Civil and Criminal Fines.** The bill would expand the current federal crimes relating to trafficking in persons. Because those prosecuted and convicted under the bill could be subject to civil and criminal fines, the government might collect additional fines if the bill is enacted. Collections of civil fines are recorded in the budget as governmental receipts (revenues) and are deposited in the general fund. Collections of criminal fines are recorded as receipts and are deposited in the Crime Victims Fund and later spent. CBO expects that any additional receipts and direct spending would not be significant.

## **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

H.R. 2620 contains no intergovernmental mandates as defined in UMRA and would impose no significant costs on state, local, or tribal governments.

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

H.R. 2620 would impose a new private-sector mandate, as defined in UMRA, on airlines organized under the laws of the United States and other airlines that operate in the United States. The bill would require such airlines to develop and disseminate materials alerting travelers that sex tourism, as defined in the bill, is illegal, will be prosecuted, and presents dangers to those involved. Based on information from industry and government sources, CBO expects that the direct costs of the mandate would fall well below the annual threshold established by UMRA (\$117 million in 2003, adjusted annually for inflation).

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