



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 5, 2006

H.R. 1704 **Second Chance Act of 2006**

As ordered reported by the House Committee on the Judiciary on July 26, 2006

SUMMARY

H.R. 1704 would authorize the appropriation of \$106 million for each of fiscal years 2007 and 2008, mostly for Department of Justice (DOJ) grant programs to improve the treatment of inmates and to help offenders reenter communities after they have served their prison sentences. H.R. 1704 also would authorize the Bureau of Prisons (BOP) to provide medical care to prisoners following their release from federal custody. In addition, the bill would authorize the appropriation of such sums as necessary over the 2007-2008 period for DOJ to make grants to state and local prosecutors to develop drug treatment programs for offenders that would serve as alternatives to imprisonment.

Assuming appropriation of the authorized and estimated amounts, CBO estimates that implementing H.R. 1704 would cost about \$630 million over the 2007-2011 period. Enacting the bill would not affect direct spending or receipts.

H.R. 1704 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). Assuming the appropriation of authorized amounts, state, local, and tribal governments would receive about \$250 million over the next two fiscal years for prisoner programs. Any costs to those governments would be incurred voluntarily as a condition of receiving federal assistance.

H.R. 1704 contains no new private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1704 is shown in the following table. The costs of this legislation fall within budget function 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					
	2006	2007	2008	2009	2010	2011
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Programs Authorized by H.R. 1704						
Budget Authority ^a	5	0	0	0	0	0
Estimated Outlays	8	7	4	3	1	0
Proposed Changes:						
DOJ Programs for Offenders						
Authorization Level	0	106	106	0	0	0
Estimated Outlays	0	22	52	53	40	31
Continued Access to Medical Care for Offenders						
Estimated Authorization Level	0	60	67	76	85	95
Estimated Outlays	0	54	66	75	84	94
Grants to State and Local Prosecutors for Alternatives to Prison Programs						
Estimated Authorization Level	0	30	30	0	0	0
Estimated Outlays	0	7	16	15	11	8
Total Changes						
Estimated Authorization Level	0	196	203	76	85	95
Estimated Outlays	0	83	134	143	135	133
Spending Under H.R. 1704						
Estimated Authorization Level ^a	5	196	203	76	85	95
Estimated Outlays	8	90	138	146	136	133

a. The 2006 level is the amount appropriated for that year for that year for the programs authorized by H.R. 1704.

BASIS OF ESTIMATE

CBO estimates that implementing H.R. 1704 would cost about \$630 million over the 2007-2011 period. For this estimate, CBO assumes that the necessary amounts will be appropriated near the start of each fiscal year and that spending will follow historical patterns for similar activities.

Programs for Offenders

H.R. 1704 would authorize the appropriation of \$101 million annually over the 2007-2008 period for DOJ to make grants to state and local governments, territories, Indian tribes, and nonprofit organizations for programs to improve the treatment of prisoners, including substance abuse services and educational activities, and assistance to offenders after they have served their prison sentences. The bill also would authorize the appropriation of \$5 million annually over the 2007-2008 period for BOP to carry out a pilot program to shift elderly nonviolent offenders from federal prisons to home detention programs.

Continued Access to Medical Care for Offenders

H.R. 1704 would authorize BOP to continue providing medical care and medicine for up to six months following a prisoner's release from federal custody. Based on information from BOP and the Government Accountability Office, CBO estimates that approximately 19,500 former inmates would participate in such a program during 2007 at a cost of \$2,800 per inmate for the six-month period. Eligibility and per-capita cost would likely increase each year as a result of rising rates of incarceration and health care inflation. As such, CBO estimates that implementing this provision would cost about \$55 million in 2007 and \$373 million over the 2007-2011 period.

Grants to State and Local Prosecutors for Alternatives to Prison Programs

H.R. 1704 would authorize the appropriation of such sums as necessary for each of fiscal years 2007 and 2008 for DOJ to make grants to state and local prosecutors to develop drug treatment programs for offenders that would serve as alternatives to imprisonment. Based on the funding provided in recent years for similar activities such as the Drug Courts program, CBO estimates that this provision would require funding of \$30 million annually over the 2007-2008 period.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 1704 contains no intergovernmental mandates as defined in UMRA. Assuming the appropriation of authorized amounts, state, local, and tribal governments would receive about \$250 million over the 2007-2011 period for prisoner programs. Any costs to those governments would be incurred voluntarily as a condition of receiving federal assistance.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 1704 contains no new private-sector mandates as defined in UMRA.

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