



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 10, 2006

H.R. 5640 **Child and Family Services Improvement Act of 2006**

*As ordered reported by the House Committee on Ways and Means
on June 29, 2006*

SUMMARY

H.R. 5640 would amend part B of title IV of the Social Security Act to reauthorize various child welfare programs and to direct funding to support monthly casework visits for foster children. The bill would increase authorization levels by \$1 billion over the 2007-2011 period, and, assuming the appropriation of the authorized amounts, would result in additional outlays of \$780 million over the same period.

Certain child welfare programs categorized as direct spending also would be reauthorized by the bill. As required by the Deficit Control Act, the costs of extending those mandatory programs—\$1.4 billion over the 2007-2011 period—are already included in CBO's baseline. Therefore, enacting H.R. 5640 would not result in an estimated change in direct spending relative to those baseline projections.

H.R. 5640 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would benefit state, local, and tribal governments and any costs they incur would result from complying with conditions of federal assistance.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 5640 is shown in the following table. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

	By Fiscal Year, in Millions of Dollars					
	2006	2007	2008	2009	2010	2011
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law						
Estimated Authorization Level ^a	425	375	376	377	378	379
Estimated Outlays	424	430	390	380	377	378
Proposed Changes						
Authorization Level	0	200	200	200	200	200
Estimated Outlays	0	40	150	190	200	200
Spending Under H.R. 5640						
Estimated Authorization Level ^a	425	575	576	577	578	579
Estimated Outlays	424	470	540	570	577	578
Memorandum:						
Direct Spending from Program Extensions Assumed in CBO's Baseline						
Estimated Budget Authority	n.a.	345	345	345	345	345
Estimated Outlays	n.a.	93	283	328	345	345

NOTE: n.a.= not applicable.

a. The 2006 level is the amount appropriated for that year for Promoting Safe and Stable Families, Child Welfare Services, and Mentoring Children of Prisoners.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted near the end of fiscal year 2006, and that the authorized amounts will be appropriated for fiscal year 2007 and subsequent years. The estimated outlays reflect historical spending patterns for these programs.

The bill would amend and reauthorize the Promoting Safe and Stable Families (PSSF) program, Child Welfare Services (CWS), and the Mentoring Children of Prisoners program. PSSF is currently authorized through fiscal year 2006, and receives both mandatory and discretionary funding. Funding for the mandatory part of PSSF is \$345 million for fiscal year 2006; the discretionary portion received an appropriation of \$89 million for this year. Reauthorization of PSSF would have no effect on direct spending relative to CBO's baseline because those mandatory costs are already assumed in the baseline.

The other two programs affected by this bill—Child Welfare Services and the Mentoring Children of Prisoners program—are permanently authorized. CWS is authorized at \$325 million per year, while the Mentoring Children of Prisoners program is authorized at “such sums as may be necessary.” The programs received funding of \$287 million and \$49 million, respectively, for 2006.

Spending Subject to Appropriation

The bill would reauthorize discretionary grants under Title IV-B of the Social Security Act, including the PSSF program, CWS, and the program for mentoring children of prisoners. PSSF currently is authorized through fiscal year 2006. The other programs are permanently authorized.

Promoting Safe and Stable Families. Discretionary appropriations for PSSF totaled \$89 million for 2006. H.R. 5640 would authorize appropriations for the discretionary PSSF grants at \$200 million annually from 2007 through 2011, for a total of \$1 billion over that five-year period. Based on historical spending rates for the program, CBO estimates that resulting outlays would total \$780 million over the 2007-2011 period.

Child Welfare Services. The bill would authorize the appropriation of \$325 million for fiscal years 2007 through 2011 for grants to states for child welfare services. Such grants are permanently authorized at that level under current law. Thus, the proposed change would not alter authorizations over the next five years for CWS.

Mentoring Children of Prisoners. H.R. 5640 would authorize the appropriation of such sums as may be necessary for the Mentoring Children of Prisoners program from 2007 through 2011. The program, which is permanently authorized, received an appropriation of \$49 million for fiscal year 2006. For the purpose of this estimate, CBO estimates the “such sums” authorizations under current law by adjusting the 2006 appropriation for inflation. Because the bill would not change the current-law authorization for this program, CBO estimates that its enactment would result in no change for the 2007-2011 period.

Direct Spending

H.R. 5640 would reauthorize mandatory grants under the PSSF program at \$345 million each year for fiscal years 2007 through 2011. Those grants currently are authorized at \$345 million for fiscal year 2006. Under the procedures specified in section 257 of the Deficit Control Act, the costs of extending PSSF are assumed in CBO’s baseline. The bill

would reserve \$40 million of those funds for grants to states to support monthly visits to foster children by caseworkers.

Provisions in section 5 of the bill could result in added costs for the federal program that provides federal matching funds to states for foster care and adoption assistance because it would restrict the amount of funds that could be spent under the CWS grants for foster care, adoption assistance, and child care activities. Although the vast majority of CWS funds that are spent on such activities go to expenses that would not be reimbursable under the federal program for foster care and adoption assistance, it is possible that the proposed restriction could result in increased claims under that program. The federal cost of any additional claims is likely to be less than \$500,000 each year, CBO estimates. (CBO estimates that this change would have no effect on mandatory spending for child care activities.)

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5640 contains no intergovernmental or private-sector mandates as defined in UMRA. State, local, and tribal governments would benefit from grant funds authorized in the bill. Any costs they incur from increased reporting of data would result from complying with conditions of federal assistance.

PREVIOUS CBO ESTIMATE

On June 21, 2006, CBO transmitted a cost estimate for S. 3525, the Improving Outcomes for Children Affected by Meth Act of 2006, as ordered reported by the Senate Committee on Finance on June 8, 2006. That bill does not address the authorization of CWS, and would authorize the Mentoring Children of Prisoners program at \$67 million per year from 2007 through 2011, as compared with the authorization of such sums as may be necessary in H.R. 5640.

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