



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

September 22, 2006

**S. 3771**

**Health Centers Renewal Act of 2006**

*As ordered reported by the Senate Committee on Health, Education, Labor, and Pensions  
on September 20, 2006*

**SUMMARY**

S. 3771 would amend section 330 of the Public Health Service Act to reauthorize a program that provides grants to community health centers (CHCs). Assuming appropriation of the authorized amounts, CBO estimates that implementing the bill would cost \$1.0 billion in 2007 and \$3.9 billion over the fiscal year 2007-2011 period.

S. 3771 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 S. 3771 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

**BASIS OF ESTIMATE**

The Health Resources and Services Administration (HRSA) administers a program that provides grants to community organizations for the development and operation of community health centers. Those health centers provide low-income and underserved patients access to affordable health care.

	By Fiscal Year, in Millions of Dollars					
	2006	2007	2008	2009	2010	2011
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending Under Current Law						
Budget Authority <sup>a</sup>	1,690	0	0	0	0	0
Estimated Outlays	896	710	51	0	0	0
Proposed Changes						
Authorization Level	0	1,963	2,080	0	0	0
Estimated Outlays	0	1,040	1,927	932	62	0
Spending Under S. 3771						
Authorization Level <sup>a</sup>	1,690	1,963	2080	0	0	0
Estimated Outlays	896	1,750	1978	932	62	0

a. The 2006 level is the amount appropriated for that year for grants to community health centers.

S. 3771 would renew funding that expires in fiscal year 2006 by authorizing the appropriation of about \$2 billion a year for fiscal years 2007 and 2008.

Based on historical patterns of spending for community health centers, CBO estimates that implementing the bill would cost \$1.0 billion in 2007 and \$3.9 billion over the 2007-2011 period, assuming appropriation of authorized amounts.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 3771 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

## **PREVIOUS CBO ESTIMATE**

On June 19, 2006, CBO transmitted a cost estimate for H.R. 5573, the Health Centers Renewal Act of 2006, as ordered reported by the House Committee on Energy and Commerce on June 15, 2006. The language of the two bills is similar; however, H.R. 5573 would authorize the appropriation of about \$2 billion a year for the 2007-2011 period, while the authorizations under S. 3771 of \$2 billion a year are limited to fiscal years 2007 and 2008.

**ESTIMATE PREPARED BY:**

Federal Costs: Camile Williams

Impact on State, Local, and Tribal Governments: Leo Lex

Impact on the Private Sector: Peter Richmond

**ESTIMATE APPROVED BY:**

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis