



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

November 16, 2009

**S. 1340
Crime Victims Fund Preservation Act of 2009**

As ordered reported by the Senate Committee on the Judiciary on October 22, 2009

SUMMARY

S. 1340 would establish minimum levels of funding for 2010 through 2014 for the Crime Victims Fund of the Department of Justice (DOJ).

CBO estimates that enacting the bill would not change net direct spending over the 2010-2019 period. We expect that the bill would reduce such spending by about \$1.1 billion over the 2010-2014 period and increase it by the same amount in the subsequent five-year period. Enacting S. 1340 would not affect revenues or discretionary spending.

S. 1340 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. 1340 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											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019
CHANGES IN DIRECT SPENDING												
Estimated Budget Authority	-2,295	117	317	562	864	435	0	0	0	0	-435	0
Estimated Outlays	-574	-877	-646	353	606	639	390	109	0	0	-1,138	0

BASIS OF ESTIMATE

Collections of criminal penalties are revenues deposited into the Crime Victims Fund and later spent. In recent years deposits have ranged from \$0.65 billion (in 2006) to \$1.75 billion (in 2009). For 2000 through 2009, however, the Congress enacted annual caps on obligations from the fund at amounts ranging from \$500 million to \$625 million. As a result, large balances have accumulated in the Crime Victims Fund. Under current law CBO estimates that about \$3 billion will be available for obligation from the fund in 2010. We estimate that annual receipts into this fund will average \$750 million a year over the 2011-2019 period and that spending will total about \$5.8 billion over the 2010-2014 period.

S. 1340 would set minimum levels of future obligation from the Crime Victims Fund as follows:

- \$705 million for 2010,
- \$867 million for 2011,
- \$1.067 billion for 2012,
- \$1.312 billion for 2013, and
- \$1.614 billion for 2014.

Based on information from DOJ, CBO assumes that the department would obligate the minimum levels specified by S. 1340 over the 2010-2014 period even though we estimate that there would be additional funds that could be obligated over that period. Under the bill we expect the department would restrain obligations in 2010 to ensure that sufficient funds would be available over the 2011-2014 period to meet the minimum required obligation levels in those years. Future receipts to the fund are uncertain, and unless the department preserves some of the 2010 fund balances to obligate in future years, it may not be able to meet the future minimum obligation requirements specified in the bill. We assume that those additional funds—\$435 million—would be obligated in 2015. This obligation pattern would result in a decrease in spending from the fund over the 2010-2012 period and an increase in spending in later years. Over the 2010-2019 period, CBO estimates that there would be no net change in outlays.

INTERGOVERNMENTAL AND PRIVATE-SECTOR MANDATES

S. 1340 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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