CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 11, 2012

H.R. 4970
Violence Against Women Reauthorization Act of 2012

As ordered reported by the House Committee on the Judiciary on May 8, 2012

SUMMARY

H.R. 4970 would authorize the appropriation of close to $660 million annually over the 2013-2017 period for programs in the Department of Justice (DOJ) and the Department of Health and Human Services (HHS) to combat violence against women. In addition, H.R. 4970 would establish new federal crimes and broaden the coverage of existing crimes relating to violence against women. Finally, the bill would reduce the number of individuals with legal permanent resident (LPR) status, which would effectively decrease direct spending in a number of programs.

Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 4970 would cost about $2.2 billion over the 2013-2017 period. Enacting the legislation would affect direct spending and revenues; therefore, pay-as-you-go procedures apply. CBO estimates that enacting the bill would reduce direct spending by $429 million (including $33 million that would be classified as off-budget savings) and increase revenues by $7 million over the 2013-2022 period.

CBO has not reviewed a provision in section 3 of H.R. 4970 for intergovernmental or private-sector mandates since that provision prohibits discrimination on the basis of race, color, religion, national origin, sex, or disability. Section 4 of the Unfunded Mandates Reform Act (UMRA) excludes from the application of that act any legislative provision that establishes or enforces statutory rights prohibiting such discrimination.

Other provisions of H.R. 4970 would impose no intergovernmental mandates as defined in UMRA. The bill would, however, impose private-sector mandates as defined in UMRA on brokers of international marriage and certain supervisors over persons under official control of the United States. CBO estimates that the cost of those mandates would fall well below the annual threshold established in UMRA ($146 million in 2012, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4970 is shown in the following table. The costs of this legislation fall within budget functions 500 (education, training, employment, and social services), 550 (health), 570 (Medicare), 600 (income security), 650 (social security), 750 (administration of justice), and 800 (general government).

	By Fiscal Year, in Millions of Dollars					
	2013	2014	2015	2016	2017	2013-2017
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
DOJ Programs						
Authorization Level	589	589	589	589	589	2,945
Estimated Outlays	130	306	424	512	589	1,961
HHS Programs						
Authorization Level	65	65	65	65	65	325
Estimated Outlays	24	54	61	63	63	265
Other Programs						
Estimated Authorization Level	3	2	1	1	1	8
Estimated Outlays	3	2	1	1	1	8
Total Changes						
Estimated Authorization Level	657	656	655	655	655	3,278
Estimated Outlays	157	362	486	576	653	2,234
CHANGES IN DIRECT SPENDING [a]						
Estimated Budget Authority	0	-5	-9	-14	-19	-47
Estimated Outlays	0	-5	-9	-14	-19	-47

Note: DOJ = Department of Justice; HHS = Department of Health and Human Services.

a. CBO estimates that enacting H.R. 4970 would reduce direct spending by $429 million over the 2013-2022 period. Included in that estimated decrease in direct spending is $33 million that would be recorded as a change in off-budget spending. Enacting the bill also would increase revenues by $7 million over the 2013-2022 period.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted in 2012, that the necessary amounts will be provided each year, and that spending will follow historical patterns for similar activities.

Spending Subject to Appropriation

H.R. 4970 would authorize the appropriation of $589 million annually over the 2013-2017 period for DOJ to make grants to state, local, and tribal governments and nonprofit organizations for programs to reduce violence against women. Activities authorized by the bill include legal assistance for victims, outreach services for victims of rural domestic violence, and training for investigators and prosecutors of sexual assault crimes. CBO estimates that implementing those programs would cost about $2 billion over the 2013-2017 period.

H.R. 4970 also would authorize the appropriation of $65 million annually over the 2013-2017 period for several grant programs administered by HHS. The legislation would authorize grants for rape prevention and education programs, programs to educate health professionals who address domestic violence and other crimes, and collaborative grants to assist homeless victims. CBO estimates that implementing those programs would cost $265 million over the 2013-2017 period.

In addition, H.R. 4970 would require DOJ, the Department of Homeland Security, and the Government Accountability Office to carry out certain studies concerning efforts to combat violence against women. Based on the cost of similar activities, CBO estimates that those studies would cost about $8 million to complete over the 2013-2017 period.

CBO projects that enacting the bill would reduce the number of students eligible for Pell grants, the bulk of which are funded through annual appropriations. Assuming appropriations are reduced by the estimated amounts and provide for a maximum discretionary award level of $4,860 (as in the most recently enacted appropriations act), CBO estimates the bill would reduce discretionary costs by a negligible amount over the 2013-2017 period and by $2 million over the 2013-2022 period. As discussed below under the heading, “Assistance for Higher Education,” the bill also would affect direct spending for Pell grants.

Direct Spending

CBO estimates that enacting H.R. 4970 would decrease direct spending by $429 million and increase revenues by $7 million over the 2013-2022 period. Section 806 would eliminate the separate track to legal permanent resident status currently available to holders of U visas. CBO estimates that a total of 117,000 U visa holders that would have obtained LPR status under current law would no longer be able to obtain this status under this bill. (U visas are issued to people who were victims of specified crimes and who are assisting or are expected to assist law enforcement officials in the investigation and prosecution of those crimes.)

Medicaid. By eliminating the path by which individuals issued nonimmigrant U visas can adjust to LPR status and later naturalize, H.R. 4970 would decrease the number of adults and their dependent children who would be eligible to enroll in Medicaid and receive full Medicaid benefits after being in the country for five years. In addition, fewer people would receive emergency services from Medicaid under the bill. CBO estimates that decreasing the number of people eligible for Medicaid services under H.R. 4970 would reduce direct spending by $169 million over the 2013-2022 period.

Exchange Subsidies. Eliminating the path through which U visa holders can obtain LPR status would decrease the number of people eligible to receive subsidies for health insurance through the insurance "exchanges" created by the Affordable Care Act, starting in 2014. Legal permanent residents can be eligible for exchange subsidies if they meet income requirements and do not have access to certain other sources of health insurance coverage. H.R. 4970 would reduce the number of legal permanent residents relative to current law, and would therefore result in budgetary savings. CBO and the staff of the Joint Committee on Taxation (JCT) estimate that the outlay portion of the decrease in premium and cost-sharing subsidies for health insurance offered through exchanges under H.R. 4970 would be about $162 million over the 2013-2022 period.[1] (There is also an effect on revenues as discussed below under the heading, "Revenues.")

Nutrition. By reducing the number of people with LPR status, H.R. 4970 would reduce the number of people eligible for benefits under the Supplemental Nutrition Assistance Program (SNAP) and the child nutrition programs. Under current law, adults who obtain legal permanent resident status are eligible for SNAP after a five-year waiting period, assuming that they meet the program's eligibility requirements, though children born in the United States and LPRs under the age of 18 are eligible immediately. In addition, foreign-born children are eligible for child nutrition programs, such as school lunch and breakfast, regardless of their immigration status. CBO estimates that, under the bill, direct spending on those nutrition programs would decline by $52 million over the 2013-2022 period.

Social Security and Medicare. Few of the U visa holders affected by H.R. 4970 would have been able to work long enough to become eligible for Social Security retirement benefits or age-based Medicare during the 2013-2022 period, but many could have become eligible for Social Security Disability Insurance and, consequently, disability-based Medicare over that period. Based on information from the Current Population Survey (CPS), CBO projects that under the bill, about 600 fewer people would receive Social Security benefits (primarily for disability insurance) by 2022. CBO estimates that enacting H.R. 4970 would reduce (off-budget) Social Security outlays by $33 million and (on-budget) Medicare outlays by $11 million over the 2013-2022 period.

1. Subsidies for health insurance premiums are structured as refundable tax credits; the portions of such credits that exceed taxpayers' liabilities are classified as outlays, while the portions that reduce tax payments are reflected in the budget as reductions in revenues.

Supplemental Security Income (SSI). Based on information from the CPS, CBO projects that under current law fewer than 50 U visa holders affected by H.R. 4970 would have naturalized and received SSI benefits based on old age or disability during the 2013-2022 period. In addition, CBO expects that around 1 percent of the citizen-children who would have been born in the United States to those visa holders affected by H.R. 4970 would have qualified for SSI as the result of birth defects or other severe disabilities. In total, CBO estimates that enacting H.R. 4970 would reduce SSI outlays by $1 million over the 2013-2022 period.

Assistance for Higher Education. CBO also projects that the bill would reduce the number of students eligible for Pell grants. Though most Pell grant funding is discretionary, CBO estimates enacting the bill would decrease direct spending by $1 million over the 2013-2022 period for the mandatory portion of the Pell Grant program. (The bill would have an insignificant effect on direct spending for student loans.)

Revenues

CBO and JCT estimate that enacting H.R. 4970 would increase revenues by $7 million over the 2013-2022 period. That estimate is the revenue portion of the decrease in premium and cost-sharing subsidies for health insurance offered through exchanges that would occur by decreasing the number of LPRs under H.R. 4970, discussed above under the heading, “Exchange Subsidies.”

H.R. 4970 also would establish new federal crimes and broaden the coverage of existing crimes relating to violence against women. Enacting the bill could increase collections of criminal fines (which are recorded in the budget as revenues) for violations of the bill’s provisions. CBO estimates that any additional collections would not be significant because of the relatively small number of additional cases likely to be affected. Criminal fines are recorded as revenues, deposited in the Crime Victims Fund, and subsequently spent without further appropriation.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting on-budget direct spending or revenues. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 4970 as ordered reported by the House Committee on the Judiciary on May 8, 2012

	By Fiscal Year, in Millions of Dollars											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2017	2013-2022
NET INCREASE OR DECREASE (-) IN THE ON-BUDGET DEFICIT												
Statutory Pay-As-You-Go Impact	0	-5	-9	-14	-17	-29	-50	-69	-93	-116	-45	-403
Memorandum:												
Changes in Outlays	0	-4	-9	-13	-17	-29	-49	-68	-91	-114	-44	-396
Changes in Revenues	0	0	0	0	1	1	1	1	1	2	1	7

Note: Components may not sum to totals because of rounding.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

CBO has not reviewed a provision in section 3 of H.R. 4970 for intergovernmental or private-sector mandates since that provision prohibits discrimination on the basis of race, color, religion, national origin, sex, or disability. Section 4 of UMRA excludes from the application of that act any legislative provision that establishes or enforces statutory rights prohibiting such discrimination.

Other provisions of H.R. 4970 would impose no intergovernmental mandates as defined in UMRA. The proposed changes to the U visa program would reduce the number of individuals eligible for Medicaid assistance. Since a portion of Medicaid is paid for by state governments, CBO estimates that state spending on the program would decline by about $104 million over the 2013-2022 period. The bill would authorize the appropriation of about $3.3 billion over the 2013-2017 period for a variety of new and existing programs to assist law enforcement, public service providers, institutions of higher education, and housing agencies. Public and private entities would benefit from those programs. Any increased costs to those entities as a result of complying with grant requirements would be incurred voluntarily as conditions of receiving federal assistance.

The bill would impose private-sector mandates as defined in UMRA by increasing reporting requirements for international marriage brokers and prohibiting certain activities for individuals that hold a supervisory role over persons under official control of the United States. Because the requirements would be small changes from existing requirements, CBO estimates that the incremental costs of those mandates on the private sector would fall well below the annual threshold established in UMRA ($146 million in 2012, adjusted annually for inflation).

PREVIOUS CBO ESTIMATE

On March 29, 2012, CBO transmitted a cost estimate for S. 1925, the Violence Against Women Reauthorization Act of 2011, as reported by the Senate Committee on the Judiciary on February 7, 2012. We estimated that implementing that legislation would cost about $2.2 billion over the 2012-2017 period, assuming appropriation of the necessary amounts. In addition, CBO estimated that enacting S. 1925 would increase direct spending by $108 million and decrease revenues by $3 million over the 2012-2022 period.

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