



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 22, 2011

### **S. 1542** **Child and Family Services Improvement and Innovation Act**

*As ordered reported by the Senate Committee on Finance  
on September 20, 2011*

#### **SUMMARY**

S. 1542 would make numerous modifications to various federal child welfare programs. The bill would modify two programs (the Stephanie Tubbs Jones Child Welfare Services Program and the Safe and Stable Families program) and reauthorize the programs for five years.

The bill also would authorize the appropriation of \$345 million a year in mandatory funds from 2012 through 2016 for the Safe and Stable Families program, but that funding is already assumed in CBO's baseline. Finally, S. 1542 would reauthorize the child welfare waivers in section 1130 of the Social Security Act from 2012 through 2014.

CBO estimates that implementing S. 1542 would have a discretionary cost of about \$2.1 billion over the 2012-2016 period, assuming appropriation of the authorized amounts.

Because enacting the legislation could affect direct spending, pay-as-you-go procedures apply; however, CBO estimates the legislation would have an insignificant effect on direct spending. Enacting the bill would not affect revenues.

S. 1542 would impose intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) because it would increase the stringency of conditions of assistance under the Foster Care and Adoption Assistance Programs. CBO estimates, however, that the costs to state and local governments to comply with the mandates would be small and would not exceed the threshold established in UMRA (\$71 million in 2011, as adjusted by inflation). The bill contains no new private-sector mandates as defined in UMRA.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1542 is shown in the following table. The costs of this legislation fall within budget functions 500 (education, training, employment, and social services) and 600 (income security).

	By Fiscal Year, in Millions of Dollars					2012-
	2012	2013	2014	2015	2016	2016
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION<sup>a,b</sup></b>						
Child Welfare Services Program						
Authorization Level	325	325	325	325	325	1,625
Estimated Outlays	111	270	312	315	315	1,323
Safe and Stable Families						
Authorization Level	200	200	200	200	200	1,000
Estimated Outlays	64	168	196	198	200	826
Total Changes						
Authorization Level	525	525	525	525	525	2,625
Estimated Outlays	175	438	508	513	515	2,149

- a. Title II would reauthorize section 1130 of the Social Security Act. That section requires any waivers approved by the Secretary of Health and Human Services to be cost neutral over the approved term of the project or some other time period as the Secretary finds appropriate. CBO expects that although this provision would not have a significant budgetary effect over the course of the waivers, the costs during any given year could be slightly higher or lower than zero.
- b. Section 102 authorizes the appropriation of \$345 million per year in mandatory funds from 2012 to 2016 for the Safe and Stable Families program. That level of funding is already assumed in CBO's baseline.

## BASIS OF ESTIMATE

For the purposes of this estimate, CBO assumes S. 1542 will be enacted early in fiscal year 2012, that the full amounts authorized will be appropriated for each year, and that outlays will follow historical patterns.

### Spending Subject to Appropriation

S. 1542 would authorize the appropriation of \$325 million each year from 2012 through 2016 for the Stephanie Tubbs Jones Child Welfare Services Program and \$200 million per year from 2012 through 2016 for the Safe and Stable Families program. The authorizations for both programs expire at the end of fiscal year 2011. In 2011, the Congress appropriated

\$282 million for Child Welfare Services and \$63 million for Safe and Stable Families. CBO estimates that implementing these provisions would have a discretionary cost of \$2.1 billion over the 2012-2016 period, assuming appropriation of the authorized amounts.

### **Direct Spending**

S. 1542 would authorize the appropriation of \$345 million per year in mandatory funds from 2012 through 2016 for the Safe and Stable Families program. Consistent with the budget projection rules in section 257 of the Balanced Budget and Emergency Deficit Control Act, the costs of extending the mandatory component of the Safe and Stable Families program are included in CBO's baseline and are therefore not included in the costs attributable to this bill. CBO estimates those costs would total about \$1.4 billion over the 2012-2016 period.

The bill also would reauthorize the child welfare waiver program in section 1130 of the Social Security Act. Current law requires that any waivers a state engages in be cost neutral over the approved term of the project or some other time period as the Secretary of Health and Human Services finds appropriate. The department has mechanisms in place to ensure that this cost neutrality is maintained and CBO thinks those mechanisms are effective. Thus, CBO expects that reauthorizing this waiver program would have no significant effect on direct spending, though there could be costs or savings in any given year.

### **PAY-AS-YOU-GO CONSIDERATIONS**

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. Because enacting the bill could affect direct spending, pay-as-you-go procedures apply. Relative to the baseline, however, CBO estimates that enacting the bill would have an insignificant effect on direct spending in every year and over the 2011-2021 period.

### **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

For large entitlement programs like the Foster Care and Adoption Assistance Programs, UMRA defines an increase in the stringency of conditions as an intergovernmental mandate if the affected governments lack authority to offset those costs while continuing to provide required services. The bill would require states to comply with new standards for reporting spending on adoption services and for assisting youth in foster care with identifying and resolving inaccuracies in their consumer credit reports. Because states and local governments have limited flexibility to amend their programmatic or financial responsibilities in those programs, the new requirements would be intergovernmental mandates. In aggregate, CBO estimates that the costs to governmental entities would be

small and would not exceed the annual threshold established in UMRA (\$71 million in 2011, adjusted annually for inflation).

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

S. 1542 contains no new private-sector mandates as defined in UMRA.

## **PREVIOUS CBO ESTIMATE**

On September 19, 2011, CBO transmitted a cost estimate for H.R. 2883, the Child and Family Services Improvement and Innovation Act, as ordered reported by the House Committee on Ways and Means on September 14, 2011. The language of H.R. 2883 is identical to the language of S. 1542, as are the estimated effects.

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