



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

October 7, 2014

**S. 1690**  
**Second Chance Reauthorization Act of 2013**

*As ordered reported by the Senate Committee on the Judiciary on September 18, 2014*

**SUMMARY**

S. 1690 would authorize the appropriation of \$100 million annually over the 2015-2018 period for Department of Justice (DOJ) grant programs and other activities to improve the treatment of inmates and to help offenders reenter communities after they have served their prison sentences. The grants to state and local governments, Indian tribes, and nonprofit organizations could be used for substance abuse services, educational and mentoring programs, and other activities. The bill also would require DOJ's Inspector General to conduct audits of grant recipients.

Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 1690 would cost about \$300 million over the 2015-2019 period. Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

S. 1690 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary effects of S. 1690 are 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					2015- 2019
	2015	2016	2017	2018	2019	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	101	100	100	101	0	402
Estimated Outlays	20	50	70	85	75	300

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that the bill will be enacted late in calendar year 2014, that the necessary amounts will be appropriated for each fiscal year, and that outlays will follow the historical rate of spending for these activities. Funds have probably been allocated for part of fiscal year 2015 for some or all of the programs that would be authorized by the bill through the continuing resolution that provides funding through December 11, 2014 (Public Law 113-164). However, CBO cannot identify those amounts because DOJ has not yet completed an allocation of those appropriations to all of the individual programs mentioned in the legislation.

S. 1690 also would require the DOJ Inspector General to conduct audits—every three years—on the use of funds by certain grant recipients. Based on the costs of similar activities, CBO estimates that additional audits would cost \$2 million over the five-year period, assuming the availability of appropriated funds.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

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

S. 1690 contains no intergovernmental or private-sector mandates as defined in UMRA. State, local, and tribal governments would benefit from grants authorized in the bill to provide services to some criminal offenders while they are in prison and after they have completed their sentences. Any costs to those governments would be incurred voluntarily as a condition of receiving federal assistance.

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