



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 8, 2011

H.R. 1215

A bill to amend title V of the Social Security Act to convert funding for personal responsibility education programs from direct appropriations to an authorization of appropriations

As ordered reported by the House Committee on Energy and Commerce on April, 5, 2011

SUMMARY

H.R. 1215 would amend the personal responsibility education programs created by the Patient Protection and Affordable Care Act (PPACA) by eliminating direct appropriations of \$75 million each year between 2012 and 2014. Additionally, the bill would authorize the appropriation of \$75 million a year over that same period.

Pay-as-you-go procedures apply because enacting the legislation would affect direct spending. CBO estimates that enacting the bill would reduce direct spending by \$225 million over the 2012-2021 period. Enacting the bill would not affect revenues.

CBO also estimates that implementing H.R. 1215 would increase discretionary spending by about \$200 million over the 2011-2016 period and \$225 million over the 2012-2021 period, assuming appropriation of the authorized amounts.

H.R. 1215 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 impact of H.R. 1215 is shown in the following table. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

	By Fiscal Year, in Millions of Dollars											2012-	2012-
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016	2021	
Budget Authority	-75	-75	-75	0	0	0	0	0	0	0	-225	-225	
Estimated Outlays	-15	-38	-56	-53	-38	-19	-8	0	0	0	-199	-225	
Authorization Level	75	75	75	0	0	0	0	0	0	0	225	225	
Estimated Outlays	15	38	56	53	38	19	8	0	0	0	199	225	

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

BASIS OF ESTIMATE

For the purpose of this estimate, CBO assumes that the bill will be enacted near the end of fiscal year 2011, and that the authorized amounts will be appropriated for fiscal years 2012 through 2014.

H.R. 1215 would modify the personal responsibility education programs, which were created in PPACA. Under current law, those programs receive direct appropriations of \$75 million each year from 2010 through 2014. Under H.R. 1215, the direct appropriation of funds between 2012 and 2014 would be eliminated, and any unobligated balances would be rescinded.

CBO estimates that enacting the bill would reduce direct spending by \$225 million over the 2012-2021 period. CBO expects there would be no unobligated balances to rescind. However, if unobligated balances existed on the date of enactment, the direct spending savings would be greater.

H.R. 1215 also would authorize the appropriation of \$75 million per year for personal responsibility education programs for each year from 2012 through 2014. As a result, CBO estimates that implementing the bill would have a discretionary cost of \$225 million over the 2012-2021 period, assuming appropriation of the authorized amounts.

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. The net changes in outlays 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. 1215 as ordered reported by the House Committee on Energy and Commerce on April 5, 2011

	By Fiscal Year, in Millions of Dollars											2011- 2016	2011- 2021
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
NET DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	-15	-38	-56	-53	-38	-19	-8	0	0	0	-199	-225

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

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1215 contains no intergovernmental or private-sector mandates as defined in UMRA. By reclassifying funding for the personal responsibility program, the bill would likely decrease the amount of funds that state, local, and tribal government receive to implement the program.

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