



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 23, 1997

### **S. 10**

### **Violent and Repeat Juvenile Offender Act of 1997**

*As ordered reported by the Senate Committee on the Judiciary on July 24, 1997*

#### **SUMMARY**

S. 10 aims to encourage and strengthen the prosecution of juvenile offenders. This legislation would authorize appropriations for many programs relating to juvenile crime. Assuming the appropriation of the specified and estimated amounts, CBO estimates that enacting this bill would result in additional discretionary spending of about \$1.8 billion over the 1998-2002 period. Because S. 10 could affect direct spending and revenues, pay-as-you-go procedures would apply. We expect, however, that changes in direct spending and revenues would not be significant.

S. 10 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would impose no costs on state, local, or tribal governments. The bill would ease a number of grant conditions and provide new funding for juvenile crime control programs.

This bill would impose several new private-sector mandates as defined in UMRA. CBO estimates that the aggregate direct cost of the new requirements in the bill would fall below the \$100 million statutory threshold in UMRA.

#### **DESCRIPTION OF THE BILL'S MAJOR PROVISIONS**

Title I of S. 10 would revise certain procedures in federal courts to encourage—but not require—more prosecution of serious juvenile offenders.

Title II would provide for increased criminal penalties for crimes relating to juvenile gangs. This title also would authorize appropriations of \$100 million annually for 1998 through 2002 for grants for high-intensity interstate gang activity areas.

Title III would:

- authorize appropriations of \$700 million for each of fiscal years 1998 through 2002 for juvenile crime control grants and related programs;
- authorize appropriations of \$50 million for each of fiscal years 1998 through 2002 to the National Institute for Juvenile Justice and Delinquency Prevention for research, demonstration, and evaluation programs;
- authorize the appropriation of such sums as may be necessary for each of fiscal years 1998 through 2001 for administration and operation of the Office of Juvenile Crime Control and Accountability;
- authorize the appropriation of such sums as may be necessary for fiscal years 1998 through 2002 for runaway and homeless youth programs;
- authorize the appropriation of \$1 million per year for fiscal years 1998 through 2002 for temporary demonstration projects for youth in rural areas;
- authorize the appropriation of such sums as may be necessary for fiscal year 2002 for missing children grant programs;
- authorize the appropriation of \$3 million per year for fiscal years 1998 through 2000 for a pilot program to promote successful juvenile crime reduction strategies;
- repeal several sections of the Violent Crime Control and Law Enforcement Act of 1994; and
- require the Attorney General, subject to amounts provided in advance in appropriations acts, to reimburse state and local governments for costs to incarcerate illegal juvenile aliens.

Title IV would authorize the appropriation of \$15 million for fiscal year 1998 to establish at least three flagship Boys and Girls Clubs of America.

Title V would provide for increased criminal penalties, including mandatory minimum sentences and provisions for asset forfeiture, for many crimes relating to juveniles. The title also would authorize the appropriation of such sums as may be necessary for fiscal years 1998 through 2001 to provide for guardians of victims of child abuse.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 10 is shown in the following table. The net change in estimated outlays is negative in fiscal year 1998 because the bill would repeal several existing authorizations of appropriations and spending from the new authorizations is likely to be at a slower rate than for the repealed authorizations. In addition to the discretionary spending shown in the table, S. 10 could lead to increases in both revenues and direct spending from provisions relating to criminal fines and asset forfeiture; CBO estimates that any such increases would be less than \$500,000 in each year.

	By Fiscal Year, in Millions of Dollars					
	1997	1998	1999	2000	2001	2002
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
<b>Spending Under Current Law</b>						
Authorization Level <sup>a</sup>	264	706	710	659	29	0
Estimated Outlays	193	696	711	686	232	115
<b>Proposed Changes</b>						
<b>New Authorizations</b>						
Estimated Authorization Level	0	1,004	993	996	997	1,005
Estimated Outlays	0	244	627	949	996	996
<b>Repealed Authorizations</b>						
Estimated Authorization Level	0	-678	-682	-631	0	0
Estimated Outlays	0	-487	-581	-597	-204	-109
<b>Net Changes</b>						
Estimated Authorization Level	0	326	311	365	997	1,005
Estimated Outlays	0	-243	46	352	792	887
<b>Spending Under S. 10</b>						
Estimated Authorization Level <sup>a</sup>	264	1,032	1,021	1,024	1,026	1,005
Estimated Outlays	193	453	757	1,038	1,024	1,002

a. The 1997 level is the amount appropriated for that year. The amounts shown for subsequent years are the levels authorized under current law (at the top of the table) and those that would be authorized by S. 10 (at the bottom of the table).

The costs of this legislation fall within budget function 750 (administration of justice) and 500 (education, training, employment, and social services).

## **BASIS OF ESTIMATE**

### **Spending Subject to Appropriation**

For the purposes of this estimate, CBO assumes that the amounts authorized in the bill or under current law will be appropriated near the start of fiscal year 1998 and by the start of each fiscal year thereafter, with outlays following the historical spending trends for the authorized activities. For existing programs for which the bill authorizes the appropriation of such sums as may be necessary, CBO estimated future authorization levels by assuming continued funding at the level appropriated for fiscal year 1997 with adjustments for anticipated inflation.

Implementing the longer prison sentences mandated by S. 10 would result in additional federal costs to accommodate prisoners for longer periods of time. Based on a preliminary assessment by the United States Sentencing Commission, however, we estimate that such costs probably would be less than \$500,000 annually through fiscal year 2002. Spending in later years could be greater if the federal courts adopt the harsher sentencing guidelines allowed by S. 10. Any increased costs to the prison system would be subject to the availability of appropriated funds.

S. 10 would direct the Attorney General to reimburse state and local governments for their costs to incarcerate illegal juvenile aliens, subject to the availability of appropriations. Although little reliable data are available on the population of illegal juvenile aliens incarcerated by states and localities, about 80 percent of adult aliens incarcerated in state and local prisons are probably located in seven states—Arizona, California, Florida, Illinois, New Jersey, New York, and Texas. Based on preliminary information from these states regarding the number of juvenile delinquents in each state who might be illegal aliens, and extrapolating to the entire country, we estimate that the reimbursement required by the bill would be roughly \$30 million annually. Costs for reimbursement could be higher in later years if juvenile incarceration rates rise.

## **Direct Spending and Revenues**

The imposition of new and enhanced criminal fines in S. 10 could increase governmental receipts, but we estimate that any increase would be less than \$500,000 annually. Criminal fines are deposited in the Crime Victims Fund and are spent in the following year. Thus, any change in direct spending from the fund would match the increase in revenues with a one-year lag.

New forfeiture provisions in S. 10 could result in more assets seized and forfeited to the federal government. The proceeds from asset forfeitures are deposited in the Assets Forfeiture Fund of the Department of Justice as revenues and spent out of that fund in the same year. However, we estimate that any increase in revenues or spending related to asset forfeiture would be less than \$500,000 annually.

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

The Balanced Budget and Emergency Deficit Control Act of 1985 specifies pay-as-you-go procedures for legislation affecting direct spending or receipts. Enacting S. 10 would affect direct spending and receipts because of provisions relating to criminal fines and forfeiture of assets. CBO estimates, however, that these provisions would increase direct spending and receipts by less than \$500,000 annually.

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

S. 10 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Some grant conditions would be altered slightly; these changes would make it slightly easier for state, local, or tribal governments to acquire federal funding. New juvenile crime control grants totaling \$700 million annually from fiscal years 1998 through 2002 would replace or consolidate a number of grant programs in addition to increasing overall funding.

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

S. 10, the Violent and Repeat Juvenile Offender Act of 1997, would impose new private-sector mandates, as defined in UMRA, in several different areas. CBO estimates that the

aggregate direct cost of the new requirements in the bill would fall below the \$100 million statutory threshold in UMRA.

First, section 205 would prohibit certain activities by criminal gang members by making it illegal "to use any facility in, or travel in, interstate commerce or foreign commerce ... to recruit" or coerce other individuals into becoming or remaining gang members. The direct cost, as defined in UMRA, of that prohibition would be negligible.

Second, section 213 would authorize federal courts, upon the request of a government attorney or law enforcement agency, to order providers of paging services and other persons to furnish information, facilities, and technical assistance to law enforcement officers who use clone pagers in surveillance operations. Clone pagers are communications devices (pagers) used by officers—unknown to senders or the intended recipients of paging messages—to monitor individuals who are believed to be engaged in illegal activity. In practice, they are equivalent to a telephone that rings simultaneously at one's home and at police headquarters. Clone pagers would, for example, improve the ability of law enforcement officers to track phone calls to the pager of a known drug dealer.

In general, law enforcement agencies reimburse businesses in the personal communications industry for the cost of paging devices and services furnished to officers. Provided that law enforcement agencies continue to reimburse providers of paging services and that those agencies do not significantly increase usage of the services, CBO estimates that the direct cost of provisions in section 213 would not be substantial.

Third, section 503 would require all federally-licensed firearms dealers to make available for sale secure gun storage or safety devices, except in rare instances when such devices may be temporarily unavailable due to reasons beyond dealers' control. Firearms dealers who fail to comply with the requirement could have their license revoked.

CBO estimates that the aggregate direct cost of the additional requirement imposed on firearms licensees would be relatively minor. Of the approximately 80,000 Class 1 federal firearms license-holders (i.e., dealers), a large portion now offer safety devices for sale and would continue to do so in the absence of federal legislation. Smaller dealers, particularly licensees who sell their products at weekend trade shows or that have only a small section of their retail business devoted to the sale of firearms, would likely be the two groups most affected by the new requirement. If the typical small firearms dealer paid, on average, \$2 to \$3 per safety device and needed to stock 20 safety devices to comply with the new requirement, the direct cost would be about \$50 per dealer. Assuming one-quarter to

one-half of licensees do not currently carry safety devices, the aggregate direct cost of the new mandate would be between \$1 million and \$2 million a year.

Fourth, section 511 would prohibit businesses that are engaged in processing of personal information—for example, an individual’s address or social security number—from employing certain categories of individuals. Those businesses would be forbidden from using prison inmate labor and persons who are required to register their address with state law enforcement agencies because of a conviction of a criminal sexual offense or certain offenses against a minor. No data is currently available on the use of prison inmate labor or other types of criminal offenders by data processors in the private sector, but many data processing firms perform felony background checks on employees prior to hiring. Thus, it is unlikely that the direct cost of the restrictions in section 511 would be large. S. 10 could have a noteworthy impact on the data processing business of Federal Prison Industries, Inc. (UNICOR), but UNICOR is not counted as part of the private sector for the purposes of UMRA.

Fifth, section 513 would restrict the use of United States Marshals Service (USMS) badges, logos, insignias, or likenesses by individuals and businesses in connection with any advertisement, circular, book, pamphlet, software, publication, play, motion picture, broadcast, telecast, or other production. Except with the written permission of the Director of the United States Marshals Service, S. 10 would prohibit the imitation of anything that could be associated with the USMS on any item of apparel (if it could be reasonably believed that the person wearing the item was acting under the authority of the Marshals Service) and the use of any logo or likeness that conveys the impression that the Marshals Service endorses or approves of specific goods or services.

The practical impact of provisions in Section 513 is to place the United States Marshals Service on equal footing with other federal law enforcement agencies, such as the Federal Bureau of Investigation or the Drug Enforcement Agency, to restrict the portrayal of its likeness or logo without prior approval. In many cases where the likeness or logo of the USMS is used, particularly in the motion picture industry, prior approval is already obtained. In addition, S. 10 would reduce the likelihood that an individual could falsely represent himself as an officer in the Marshals Service.

Direct costs could be imposed by the new prohibition on businesses that are unable to obtain permission from the USMS Director and, therefore, required to alter existing goods and services that contain a USMS logo or likeness. CBO cannot estimate the direct costs of complying with the ban, but those costs would probably be small.

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