



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 23, 2018

H.R. 1511 **Homeless Children and Youth Act of 2017**

*As ordered reported by the House Committee on Financial Services
on July 24, 2018*

SUMMARY

H.R. 1511 would expand eligibility for services under the Continuum of Care (CoC) Program of the Department of Housing and Urban Development (HUD) to include doubled-up families—youth and families with children who are living with others because they cannot afford their own housing. That expansion would be limited to households that meet the program’s income and other requirements for participation. CBO estimates that implementing H.R. 1511 would cost \$708 million over the 2019-2023 period, assuming appropriation of the necessary amounts.

Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 1511 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 1511 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 effect of H.R. 1511 is shown in the following table. The costs of the legislation fall within budget function 600 (income security).

	By Fiscal Year, in Millions of Dollars					2019- 2023
	2019	2020	2021	2022	2023	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Expand Eligibility for Continuum of Care Program						
Estimated Authorization Level	102	208	319	434	555	1,618
Estimated Outlays	0	16	97	192	293	598
Data Collection						
Estimated Authorization Level	39	40	41	42	43	205
Estimated Outlays	0	6	31	36	37	110
Total Increases						
Estimated Authorization Level	141	248	360	476	598	1,823
Estimated Outlays	0	22	128	228	330	708

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 1511 will be enacted near the end of 2018 and that future appropriations will be provided as estimated. CBO expects that outlays will follow historical spending patterns.

CBO estimates that implementing H.R. 1511 would require appropriations of \$1.8 billion over the 2019-2023 period and that outlays would total \$708 million over the same period. The need for appropriations would continue after 2023.

Expand Eligibility for the Continuum of Care Program

The CoC Program makes grants to nonprofit providers and state and local governments to help homeless families and youth. H.R. 1511 would expand eligibility to include families and youth who are verified by a federal agency as doubled up.

Under current law, households consisting of youth and families with children who are unsheltered or are living in permanent supportive housing, transitional housing, or emergency shelters are eligible for assistance. To be eligible, the household must meet certain income requirements and the following general conditions:

- The household must have moved at least twice within the past 60 days,
- The household cannot have had a lease within the past 60 days, and
- One member of the household must be disabled or the head of the household must have multiple barriers to employment.

Using information from HUD, the Department of Education, and the Department of Health and Human Services, CBO estimates that in an average month in 2016, about 1 million people were eligible for assistance under the CoC Program and that the program funded the full cost of assistance for 13 percent of those households in that year. Under H.R. 1511, CBO estimates that, in an average month, an additional 800,000 children and youth, in 500,000 households, would be eligible for the program.

H.R. 1511 would prohibit HUD from awarding CoC Program grants on the basis of the specific population that the applicants serve or the type of assistance provided, unless a grant applicant demonstrated that doing so would be the most effective way to reduce homelessness. Under current law, CoC Program funds are not used to serve doubled-up youth and families. CBO expects that, under the bill, about half of the grant recipients would serve doubled-up households and that it would take about five years to fully implement services for that group. By 2023, CBO expects, the program would assist 6 percent (or 30,000 households) of the newly eligible population, or half the share of the eligible population that receives assistance under current law.

The type of assistance that a doubled-up household would receive would vary depending on the needs of its members. Households consisting of youth or adults with no major barriers to employment or disabilities would probably receive less assistance than households whose members had disabilities or barriers to employment. Using information from the Census Bureau and HUD studies about the characteristics of doubled-up households and the costs of different types of housing assistance, CBO estimates that HUD would provide about \$16,500 in assistance for an average household in 2019. CBO estimates that implementing the bill would cost \$598 million over the 2019-2023 period, assuming appropriation of the necessary amounts.

Data Collection

H.R. 1511 also would require grant recipients that conduct counts of homeless people to count all of the people who meet the definition of homelessness, including those made eligible under the bill. In 2017, HUD awarded about \$50 million to grant recipients to collect, use, and submit data on about 1 million homeless and formerly homeless people. CBO estimates that collecting and submitting data on the 800,000 people who would be newly eligible for CoC assistance under the bill would cost an additional \$110 million over the 2019-2023 period.

Uncertainty

CBO aims to produce estimates that generally reflect the middle of a range of the most likely budgetary outcomes that would result if the legislation was enacted. For legislation that would make households eligible for federal assistance, CBO's estimate of spending

subject to appropriation is based on costs and historical spending patterns for that assistance. However, CBO cannot predict with certainty the amount of funds that the Congress would appropriate under the bill. If appropriations were not provided to implement H.R. 1511, fewer doubled up households, or fewer other homeless households, would be served.

In addition, if the Congress did provide funds to implement the bill, spending under H.R. 1511 could be higher or lower than CBO's estimate for three reasons:

- First, CBO cannot precisely predict the number of households that would become eligible for the program. For example, CBO's estimate reflects historical efforts by federal agencies to identify doubled up households; if agencies' efforts to identify those households are higher under the bill, spending subject to appropriation would be higher.
- Second, CBO cannot precisely predict the amount of funding that each household would receive. If the average household has more or fewer barriers to employment than CBO expected, estimated costs would differ from those provided in CBO's cost estimate.
- Finally, CBO cannot foresee with certainty the extent to which grantees would apply to serve newly eligible households. If grantees preferred not to serve those households, spending subject to appropriation would be lower.

Because of those uncertainties, the budgetary effects of enacting H.R. 1511 could differ significantly from those provided in CBO's cost estimate.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 1511 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

MANDATES

H.R. 1511 contains no intergovernmental or private-sector mandates as defined in UMRA.

ESTIMATE PREPARED BY

Federal Costs: Elizabeth Cove Delisle
Mandates: Rachel Austin

ESTIMATE REVIEWED BY

Sheila Dacey
Chief, Income Security and Education Cost Estimates Unit

H. Samuel Papenfuss
Deputy Assistant Director for Budget Analysis

Theresa Gullo
Assistant Director for Budget Analysis