



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 13, 2014

H.R. 3530 **Justice for Victims of Trafficking Act of 2014**

As ordered reported by the House Committee on the Judiciary on April 30, 2014

SUMMARY

H.R. 3530 would authorize the appropriation of \$25 million annually over the 2015-2019 period for the Department of Justice (DOJ) to provide grants to states and other recipients aimed at improving the enforcement of laws against human trafficking and to assist victims of such crimes. The bill also would establish levels of funding for 2016 through 2020 for DOJ's Crime Victims Fund.

Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 3530 would cost \$125 million over the 2015-2024 period. We estimate that enacting the bill would not change total direct spending over the 2015-2024 period; it would reduce such spending during the 2016-2021 period and increase it over the subsequent years. We also estimate that bill would have an insignificant effect on revenues. Pay-as-you-go procedures apply because enacting the legislation would affect direct spending and revenues.

H.R. 3530 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. 3530 is 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015-2019	2015-2024
CHANGES IN SPENDING SUBJECT TO APPROPRIATION												
DOJ Grants												
Authorization Level	25	25	25	25	25	0	0	0	0	0	125	125
Estimated Outlays	4	11	17	21	25	22	14	8	4	0	78	125
CHANGES IN DIRECT SPENDING												
Crime Victims Fund												
Estimated Budget Authority	0	-1,819	-875	-755	-634	-610	4,693	0	0	0	-4,083	0
Estimated Outlays	0	-73	-435	-859	-1,207	-769	-463	572	1,405	1,830	-2,574	0

BASIS OF ESTIMATE

Spending Subject to Appropriation

CBO estimates that implementing the bill would cost \$125 million over the 2015-2023 period. We assume that the bill will be enacted by the end of 2014, the authorized amounts will be provided each year, and spending will follow historical patterns for these programs.

H.R. 3530 would authorize the appropriation of a total of \$25 million annually over the 2015-2019 period for DOJ grants, as follows:

- \$5 million annually for state and local governments to improve the investigation and prosecution of child trafficking crimes and to assist victims;
- \$15 million annually to support children’s advocacy centers; and
- \$5 million annually for programs to train and assist attorneys and other personnel who prosecute child abuse cases in state and federal courts.

Direct Spending

Collections of most federal criminal penalties are recorded in the budget as revenues, deposited into the Crime Victims Fund, and later spent without further appropriation. In recent years deposits have ranged from \$1.5 billion (in 2013) to nearly \$2.8 billion (in 2012). For many years, however, the Congress has enacted annual caps on obligations from the fund at amounts ranging from \$500 million to \$745 million. As a result, large unobligated balances, currently estimated to total about \$11 billion, have accumulated in the Crime Victims Fund. We estimate that annual receipts to this fund will average about \$1.6 billion a year over the 2014-2024 period.

Under current law all of those amounts—unobligated balances and annual collections—are available to be spent after 2014. CBO estimates that, without any limitations, outlays from the fund would be about \$26 billion over the 2015-2024 period. H.R. 3530 would set caps on future obligations from the Crime Victims Fund as follows:

- \$805 million for 2016,
- \$825 million for 2017,
- \$845 million for 2018,
- \$866 million for 2019, and
- \$890 million for 2020.

CBO estimates that those limitations would result in a decrease in spending from the fund over the 2016-2021 period, but an increase in spending in later years. Over the 2015-2024 period, CBO estimates, there would be no net change in direct spending from enacting H.R. 3530.

Revenues

H.R. 3530 would broaden the coverage of current laws against sex trafficking. As a result, the government might be able to pursue cases that it otherwise would not be able to prosecute. Because those prosecuted and convicted under the bill could be subject to criminal fines, the federal government might collect additional fines if the legislation is enacted. Criminal fines are recorded as revenues, deposited in the Crime Victims Fund, and later spent. CBO expects that any additional revenues (or direct spending) would not be significant because of the small number of cases likely to be affected.

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 and revenues 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. 3530 as ordered reported by the House Committee on the Judiciary on April 30, 2014

	By Fiscal Year, in Millions of Dollars												
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2014-2019	2014-2024
NET INCREASE OR DECREASE (-) IN THE ON-BUDGET DEFICIT													
Statutory Pay-As-You-Go Impact	0	0	-73	-435	-859	-1,207	-769	-463	572	1,405	1,830	-2,574	0

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3530 contains no intergovernmental or private-sector mandates as defined in UMRA. State and local governments would benefit from grants authorized in the bill. Any costs to those governments would be incurred voluntarily as a condition of federal assistance.

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