



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 8, 2008

**H.R. 840
Homeless Emergency Assistance and Rapid Transition
to Housing Act of 2008**

*As ordered reported by the House Committee on Financial Services
on July 31, 2008*

SUMMARY

H.R. 840 would reauthorize the McKinney-Vento Homeless Assistance Act for four years and consolidate the act's separate competitive grant programs for assistance to the homeless into a single program.

CBO estimates that implementing this legislation would cost about \$3.4 billion over the next five years, assuming the appropriation of the necessary amounts. Enacting H.R. 840 would not affect direct spending or revenues.

H.R. 840 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA); any costs state, local, or tribal governments incur to comply with grant conditions would be incurred voluntarily.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 840 is shown in the following table. The costs of this legislation fall within budget function 600 (income security).

ESTIMATED BUDGETARY EFFECTS OF H.R. 840

	By Fiscal Year, in Millions of Dollars					2009- 2013
	2009	2010	2011	2012	2013	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Homeless Assistance Grants						
Estimated Authorization Level	0	2,200	2,240	2,281	2,321	9,042
Estimated Outlays	0	22	374	1,261	1,680	3,337
Research on Interventions for Homeless Families						
Authorization Level	0	8	8	8	8	32
Estimated Outlays	0	3	5	8	8	24
Interagency Council on Homelessness						
Estimated Authorization Level	3	3	3	3	3	15
Estimated Outlays	3	3	3	3	3	15
Total Proposed Changes						
Estimated Authorization Level	3	2,211	2,251	2,292	2,332	9,089
Estimated Outlays	3	28	382	1,272	1,691	3,376

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 840 will be enacted near the beginning of fiscal year 2009, that the amounts authorized will be appropriated, and that outlays will follow historical patterns. Components of the estimated costs are described below.

Homeless Assistance Grants

H.R. 840 would consolidate the Department of Housing and Urban Development's separate competitive grant programs for assistance to the homeless (including the Supportive Housing Program, the Shelter Plus Care program, and the Single-Room Occupancy Dwellings program) into a single program to be called the Continuum of Care Program. Additionally, the bill would reauthorize grants for the emergency shelter needs of the homeless. Section 105 of the bill would authorize the appropriation of \$2.2 billion in 2010 and such sums as necessary from 2011 through 2013 for those programs. Assuming appropriation of

the authorized amounts and adjusting for inflation, CBO estimates that implementing this section would cost \$3.3 billion over the 2010-2013 period.

Other Provisions

Section 4 would authorize the appropriation of \$3 million in 2009 and such sums as necessary from 2010 through 2013 for the U.S. Interagency Council on Homelessness, and section 306 would authorize the appropriation of \$8 million for each of fiscal years 2010 through 2013 for research into the efficacy of interventions for homeless families. In total, assuming appropriation of the authorized amounts, CBO estimates that implementing those provisions would cost \$3 million in 2009 and \$39 million over the 2009-2013 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 840 contains no intergovernmental or private-sector mandates as defined in UMRA. Funding and program activities authorized in the bill would benefit state, local, and tribal governments that participate in housing assistance programs. Any costs those governments incur to comply with grant conditions would be incurred voluntarily.

PREVIOUS CBO ESTIMATE

On October 9, 2007, CBO transmitted a cost estimate for S. 1518, the Community Partnership to End Homelessness Act of 2007, as ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs on September 19, 2007. CBO estimated that S. 1518 would cost \$7.7 billion over five years, assuming appropriation of the necessary amounts. The Joint Committee on Taxation estimated that S. 1518 would reduce revenues by \$22 million over 10 years, while H.R. 840 would not affect revenues. Differences in discretionary costs reflect differences in the authorizations.

ESTIMATE PREPARED BY:

Federal Spending: Chad Chirico

Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum

Impact on the Private Sector: Patrick Bernhardt

ESTIMATE APPROVED BY:

Keith Fontenot

Deputy Assistant Director for Health and Human Resources,

Budget Analysis Division