CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 20, 2017

H.R. 2792
Control Unlawful Fugitive Felons Act of 2017

As ordered reported by the House Committee on Ways and Means on September 13, 2017

SUMMARY

H.R. 2792 would, beginning in calendar year 2021, expand the number of people who are considered "fugitive felons" and who would therefore be ineligible for benefits under the Supplemental Security Income (SSI) program.

CBO estimates that enacting H.R. 2792 would decrease direct spending by about $2.1 billion over the 2018-2027 period; therefore, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2792 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effects of H.R. 2792 are shown in the following table. The effects of this legislation fall within budget functions 550 (health) and 600 (income security).

	By Fiscal Year, in Millions of Dollars												
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2017-2022	2017-2027
INCREASES OR DECREASES (-) IN DIRECT SPENDING													
Supplemental Security Income													
Estimated Budget Authority	0	0	0	0	-200	-280	-290	-300	-340	-370	-410	-480	-2,190
Estimated Outlays	0	0	0	0	-200	-280	-290	-300	-340	-370	-410	-480	-2,190
Medicaid													
Estimated Budget Authority	0	0	0	0	10	20	20	20	20	20	20	30	130
Estimated Outlays	0	0	0	0	10	20	20	20	20	20	20	30	130
Total													
Estimated Budget Authority	0	0	0	0	-190	-260	-270	-280	-320	-350	-390	-450	-2,060
Estimated Outlays	0	0	0	0	-190	-260	-270	-280	-320	-350	-390	-450	-2,060

BASIS OF ESTIMATE

The Social Security Administration (SSA) currently withholds SSI payments for recipients who are considered fleeing felons (people for whom there is an active arrest warrant for “crimes of flight”). H.R. 2792 would expand the groups of people ineligible to receive payments to those who have an active arrest warrant for a felony or for a parole or probation violation.

Under the Social Security Act, a person is not eligible for SSI payments during any month in which the person is “fleeing to avoid prosecution, or custody or confinement after conviction” for a crime that is a felony or during any month in which the person is “violating a condition of probation or parole imposed under federal or state law.” SSA originally interpreted this provision to prohibit payments to any recipients with an active arrest warrant for a felony or for a violation of parole or probation. Following two court cases (*Martinez v. Astrue* in 2009 and *Clark v. Astrue* in 2010), SSA adjusted its policies and now suspends payments only when the warrant is for “crimes of flight,” such as escape from custody or flight to avoid prosecution. (Similar prohibitions on payment exist for Old-Age, Survivors, and Disability Insurance; H.R. 2792 would not affect those programs.)

H.R. 2792 would amend the Social Security Act to essentially reinstate, for SSI recipients, the policy of suspending benefits for all people with active warrants for felonies or violations of probation or parole. The bill would take effect in calendar year 2021.

Based on data provided by SSA about the number of payments that were withheld when SSA prohibited payment to all people with the relevant types of arrest warrants and the number that are withheld under current policy, CBO estimates that the bill would reduce the SSI monthly caseload by roughly 30,000 recipients. CBO projects that the affected individuals would lose federal payments that are, on average, 10 percent higher than the average federal SSI payment. The withheld monthly benefits would average about $700 in 2022. On that basis, CBO estimates that total federal SSI payments would be reduced by $2.2 billion over the 2018-2027 period.

Most SSI recipients are automatically eligible for Medicaid, which is a joint federal-state program that pays for health care services for low-income individuals. Under H.R. 2792, individuals who would no longer receive their SSI benefits also would stop receiving Medicaid benefits under their eligibility for SSI. However many of those people would be eligible for other reasons. CBO estimates that about three quarters of the people who would stop receiving SSI benefits under H.R. 2792 would be able to retain their Medicaid eligibility under other criteria that have the same average federal matching rate as for those who are eligible for SSI (about 57 percent). Therefore, CBO does not expect any change in federal Medicaid spending for the most of the individuals who stop receiving

SSI benefits under the bill. Of the remaining one quarter of people affected by the bill, CBO estimates that most would gain eligibility through the Affordable Care Act's optional state expansion of Medicaid coverage. At least 90 percent of the cost for people in that eligibility group is paid for by the federal government. The additional federal costs for those people would be larger than the federal savings generated from the small number of people who would not be able to qualify for Medicaid under other criteria and would thus lose all access to Medicaid under the bill. CBO estimates that, on net, federal Medicaid spending would increase by $130 million over the 2018-2027 period.

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. 2792 as ordered reported by the House Committee on Ways and Means on September 13, 2017

	By Fiscal Year, in Millions of Dollars												
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2017-2022	2017-2027
NET DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	0	0	0	-190	-260	-270	-280	-320	-350	-390	-450	-2,060

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2792 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Noah Meyerson (SSI) and Andrea Noda (Medicaid)
Impact on State, Local, and Tribal Governments: Zachary Byrum
Impact on the Private Sector: Paige Piper/Bach

ESTIMATE APPROVED BY:

H. Samuel Papenfuss
Deputy Assistant Director for Budget Analysis