CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 13, 1999

H.R. 2130

Hillory J. Farias Date-Rape Prevention Drug Act of 1999

As ordered reported by the House Committee on Commerce on August 5, 1999

SUMMARY

The Controlled Substances Act of 1970 established five schedules of controlled substances, designated by Roman numerals I (greatest potential for abuse) to V (lowest potential). H.R. 2130 would amend the act to add gamma hydroxybutyric acid (GHB) to schedule I and add ketamine to schedule III; in addition, the bill would designate gamma butyrolactone (GB) as a list I chemical (a chemical needed to manufacture a controlled substance). The bill also would direct the Secretary of Health and Human Services, within one year of enactment, to develop and implement a national awareness campaign relating to date-rape drugs. H.R. 2130 would require the General Accounting Office (GAO) to evaluate the effectiveness of that campaign within two years of its start. Finally, the bill would direct the Attorney General to make a grant for the development of forensic field tests to detect GHB and related substances.

CBO estimates that implementing H.R. 2130 would cost less than $500,000 in fiscal year 2000 and about $7 million over the 2001-2004 period, subject to the availability of appropriated funds. Because the bill could affect direct spending and receipts, pay-as-you-go procedures would apply; however, we estimate that the amounts involved would be less than $500,000 a year.

H.R. 2130 contains both an intergovernmental and a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the bill would result in no costs to state, local, or tribal governments, so the threshold established in UMRA ($50 million in 1996, adjusted annually for inflation) would not be exceeded. CBO also estimates that the costs of the private-sector mandate would fall below the threshold established in UMRA ($100 million in 1996, adjusted for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2130 is shown in the following table. The costs of this legislation fall within budget functions 550 (health), 750 (administration of justice), and 800 (general government).

	By Fiscal Year, in Millions of Dollars				
	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	a	3	4	a	0
Estimated Outlays	a	2	3	2	a

a. Less than $500,000.

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes the bill will be enacted by or near the beginning of fiscal year 2000, that the necessary amounts will be provided for each year, and that outlays will follow the historical spending rates for similar activities.

Spending Subject to Appropriation

Based on information from the Department of Health and Human Services about a similar anti-drug program, CBO estimates that the awareness campaign required by the bill would cost less than $500,000 in fiscal year 2000, $2 million to $3 million annually over the 2001-2003 period, and less than $500,000 in 2004, subject to appropriations of the necessary amounts. CBO expects that the GAO would evaluate the campaign mostly in fiscal year 2002 and that this effort, like similar reviews conducted by the agency, would cost about $400,000. Based on information from the Drug Enforcement Administration (DEA), CBO estimates that the grant for development of forensic field tests would cost less than $500,000 in fiscal year 2000 because a significant amount of related research already has been completed.

The bill's designations for GHB and GB would increase the penalties for unauthorized manufacturing or distribution of these substances and would tighten federal control over their use. As a result, the federal government would be able to pursue cases that it otherwise

would not be able to prosecute. CBO expects that any increase in federal costs for law enforcement, court proceedings, or prison operations would not be significant, however, because of the relatively small number of cases likely to be involved. Any such additional costs would be subject to the availability of appropriated funds.

Direct Spending and Revenues

Because those prosecuted and convicted of offenses established under H.R. 2130 could be subject to criminal fines, the federal government might collect additional fines if the bill is enacted. Such fines are recorded in the budget as governmental receipts (i.e., revenues), which are deposited in the Crime Victims Fund and spent in subsequent years. CBO estimates that any additional collections as a result of this bill would be less than $500,000 a year. Because any increase in direct spending from the Crime Victims Fund would equal the fines collected (with a lag of one year or more), the additional direct spending would be less than $500,000 annually.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Enacting H.R. 2130 could affect both direct spending and receipts, but CBO estimates that any such effects would be less than $500,000 a year.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 2130 contains an intergovernmental mandate as defined in UMRA. The bill would amend the Controlled Substances Act to include ketamine as a schedule III controlled substance. Because ketamine is administered for medical purposes by practitioners in state and local public hospitals, the administrative duties that would be required by the bill would be considered a mandate. However, because the DEA recently placed ketamine on the list of controlled substances under its administrative authority, this bill would impose no new costs on practitioners or the hospitals that employ them. The other substances addressed in this bill are not administered by practitioners in state or local hospitals.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 2130 would create a new private-sector mandate for manufacturers, distributors, and dispensers of GHB. The bill would require most such entities to observe and comply with federal regulations for schedule I controlled substances. Pharmaceutical companies and individuals engaged in drug testing would be able to use GHB under the less restrictive schedule III regulations, but could face additional monthly reporting requirements. Manufacturers, distributors, and dispensers would all have to follow rules governing storage, labeling, sales, and recordkeeping. Because the only current private user of GHB is a group conducting clinical trials of the drug as a treatment for cataplexy, CBO estimates that the costs of the mandate would be below the threshold established in UMRA ($100 million in 1996, adjusted for inflation).

ESTIMATE PREPARED BY:

Federal Costs: Mark Grabowicz
Impact on State, Local, and Tribal Governments: Lisa Cash Driskill
Impact on the Private Sector: John Harris

ESTIMATE APPROVED BY:

Peter H. Fontaine
Deputy Assistant Director for Budget Analysis