



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

February 11, 2014

**S. 1562
Older Americans Act Reauthorization Act of 2013**

*As reported by the Senate Committee on Health, Education, Labor, and Pensions
on January 6, 2014*

SUMMARY

S. 1562 would amend the Older Americans Act (OAA) of 1965, which provides funding through the Department of Health and Human Services (HHS) and the Department of Labor (DOL) for services to the elderly, including for state and local community programs on aging (such as nutrition services and caregiver support), community service employment, and services to help prevent elder abuse. The authorization for most of the OAA programs expired in 2011, but those programs have continued to receive appropriations each year since then, including \$1.9 billion in 2014.

CBO estimates the bill would authorize additional appropriations totaling \$7.7 billion for fiscal years 2014 through 2018. Assuming appropriation of the estimated amounts, CBO estimates that implementing S. 1562 would increase outlays by \$7.6 billion over the 2014-2019 period.

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

S. 1562 would not impose 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 S. 1562 is shown in the following table. The costs of this legislation fall within budget function 500 (education, employment, training, and social services).

	By Fiscal Year, in Millions of Dollars						2014- 2019
	2014	2015	2016	2017	2018	2019	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION							
Programs Administered by the Department of Health and Human Services							
Estimated Authorization Level	43	1,451	1,457	1,480	1,507	0	5,938
Estimated Outlays	28	943	1,405	1,456	1,488	533	5,851
Programs Administered by the Department of Labor							
Estimated Authorization Level	0	439	441	449	459	0	1,788
Estimated Outlays	0	75	426	438	448	378	1,765
Total Changes in Discretionary Spending							
Estimated Authorization Level	43	1,889	1,899	1,929	1,966	0	7,726
Estimated Outlays	28	1,017	1,831	1,894	1,936	911	7,617

Note: Components may not sum to totals because of rounding.

BASIS OF ESTIMATE

S. 1562 would reauthorize and amend the Older Americans Act. Most of the authorizations for those programs have expired, but those programs have been extended through this year because lawmakers appropriated funds totaling \$1.9 billion for those programs for 2014.

For this estimate, CBO assumes that S. 1562 will be enacted near the middle of fiscal year 2014, and that additional appropriations would be provided in 2014 for the programs where the specified authorization amounts exceed the amounts already provided for those programs. For fiscal years 2015 through 2018, CBO assumes the estimated and specified amounts will be appropriated. The estimated outlays reflect historical spending patterns for the affected programs.

Programs Administered by HHS

The Department of Health and Human Services administers several programs authorized by the Older Americans Act. Those programs include Congregate and Home-Delivered Meals, Home and Community-based Supportive Services (such as assistance with transportation, in-home care, and adult day care), and support for family caregivers. S. 1562 would authorize the appropriation of such sums as may be necessary for fiscal

years 2014-2018 for most of those programs, which received appropriations totaling \$1.4 billion for fiscal year 2014.

The bill also would authorize the appropriation of specific amounts for two of the programs for fiscal years 2014 through 2018: support for family caregivers at \$187 million for each of those years, and support for Native American caregivers at \$8 million for each of those years. Appropriations for those programs fell short of the amounts authorized by S. 1562 for 2014 by a total of \$43 million, and thus, CBO estimates that the bill would authorize additional appropriations totaling \$43 million for 2014.

For fiscal years 2015 through 2018, CBO estimated the authorized amounts by inflating the amount appropriated for 2014 (for programs with “such sums” authorizations), or by using the amounts stated in the bill. Those authorizations total \$5.9 billion through 2018, in CBO’s estimation. Assuming appropriation of the estimated amounts, CBO estimates that implementing the HHS provisions would cost almost \$5.9 billion over the 2014-2019 period.

Programs Administered by DOL

The Department of Labor administers the Senior Community Service Employment program, which provides low-income senior citizens with work-based job training and community service opportunities. S. 1562 would authorize the appropriation of such sums as may be necessary for that program for fiscal years 2014 through 2018. Appropriations for the program totaled \$434 million for fiscal year 2014. Based on that appropriation, CBO estimates new authorizations for the program under S. 1562 would total \$1.8 billion through 2018. Assuming appropriation of those amounts, CBO estimates that implementing the DOL provisions would cost \$1.8 billion over the 2014-2019 period.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1562 contains no intergovernmental or private-sector mandates as defined in UMRA. Programs and activities authorized in the bill would benefit state, local, and tribal governments that provide services to elderly and disabled individuals. To the extent that those governments would be required to amend their plans and activities to achieve new performance outcomes, those entities could incur additional costs. However, those costs would be incurred voluntarily as a condition of receiving federal assistance.

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