



May 20, 2016

Honorable Jeff Miller  
Chairman  
Committee on Veterans' Affairs  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

The Congressional Budget Office has completed an estimate of the budgetary effects of H.R. 5286, the VA Construction and Lease Authorization, Health, and Benefits Enhancement Act, as introduced on May 19, 2016.

H.R. 5286 would authorize the Department of Veterans Affairs (VA) to enter into leases for 18 medical facilities and enhanced-use leases to provide supportive housing for veterans. The bill also would modify disability compensation for veterans by rounding payments down to the next lower dollar and authorizing payments to veterans who have lost certain organs. CBO estimates that enacting H.R. 5286 would reduce net direct spending by \$846 million over the 2017-2026 period (see Table 1). Because enacting the bill would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

The bill also would make changes to VA's health care programs, including giving VA temporary authority to enter into certain agreements with health care providers in the private sector and expanding availability of some health care services. In addition, H.R. 5286 would require VA to begin a research program on the intergenerational effects of exposure to toxic substances. In total, CBO estimates that implementing H.R. 5286 would require \$291 million in discretionary spending over the 2017-2026 period, subject to appropriation of the necessary amounts (see Table 2). That estimate excludes the effects of section 304, which CBO has not yet been able to estimate.

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If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Ann Futrell.

Sincerely,

*for Robert A. Luskin*

Keith Hall  
Director

Attachment

cc: Honorable Corrine Brown  
Ranking Member

**TABLE 1. ESTIMATE OF THE EFFECTS ON DIRECT SPENDING OF H.R. 5286, THE VA CONSTRUCTION AND LEASE AUTHORIZATION, HEALTH, AND BENEFITS ENHANCEMENT ACT**

	By Fiscal Year, in Millions of Dollars											2016-	2016-
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2021	2026
<b>INCREASES OR DECREASES (-) IN DIRECT SPENDING</b>													
Leases													
Estimated Budget Authority	0	0	0	770	0	0	0	0	0	0	0	770	770
Estimated Outlays	0	0	0	39	208	254	193	76	0	0	0	501	770
Enhanced-Use Leases (Los Angeles)													
Estimated Budget Authority	0	0	2	5	10	5	5	4	4	4	5	22	44
Estimated Outlays	0	0	-5	-9	-12	14	10	9	4	4	3	-12	18
Compensation for Loss of Organs													
Estimated Budget Authority	0	2	5	3	*	*	*	*	*	*	*	10	12
Estimated Outlays	0	2	5	3	*	*	*	*	*	*	*	10	12
COLA Round Down													
Estimated Budget Authority	0	-23	-51	-82	-114	-146	-181	-214	-245	-278	-312	-416	-1,646
Estimated Outlays	0	-23	-51	-82	-114	-146	-181	-214	-245	-278	-312	-416	-1,646
Total Changes													
Estimated Budget Authority	0	-21	-44	696	-104	-141	-176	-210	-241	-274	-307	386	-820
Estimated Outlays	0	-21	-51	-49	82	122	22	-129	-241	-274	-309	83	-846

Note: \* = less than \$500,000; details do not add to totals because of rounding; COLA = cost-of-living adjustment.

**TABLE 2. ESTIMATE OF THE EFFECTS ON SPENDING SUBJECT TO APPROPRIATION OF H.R. 5286, THE VA CONSTRUCTION AND LEASE AUTHORIZATION, HEALTH, AND BENEFITS ENHANCEMENT ACT**

	By Fiscal Year, in Millions of Dollars					2017- 2021
	2017	2018	2019	2020	2021	
<b>INCREASES IN SPENDING SUBJECT TO APPROPRIATION <sup>a</sup></b>						
Veterans Care Agreements						
Estimated Authorization Level	*	20	0	0	0	20
Estimated Outlays	*	20	0	0	0	20
Community Meetings						
Estimated Authorization Level	*	1	1	1	1	4
Estimated Outlays	*	1	1	1	1	4
Complementary and Integrative Health						
Estimated Authorization Level	0	0	6	7	7	20
Estimated Outlays	0	0	5	7	7	19
Audit						
Estimated Authorization Level	2	2	2	2	2	10
Estimated Outlays	1	2	2	2	2	9
Leases (one-time improvement costs)						
Estimated Authorization Level	*	*	134	*	*	134
Estimated Outlays	*	*	121	13	*	134
Enhanced Use Leases (Los Angeles)						
Estimated Authorization Level	0	3	8	15	11	37
Estimated Outlays	0	1	4	10	14	29
Research on Toxic Exposure						
Estimated Authorization Level	0	7	14	22	30	73
Estimated Outlays	0	6	13	21	29	69
Advisory Board on Research on Toxic Exposure						
Estimated Authorization Level	*	1	1	1	1	4
Estimated Outlays	*	1	1	1	1	4
Outreach Campaign						
Estimated Authorization Level	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	1

Continued

**TABLE 2. Continued**

	By Fiscal Year, in Millions of Dollars					2017- 2021
	2017	2018	2019	2020	2021	
<b>INCREASES IN SPENDING SUBJECT TO APPROPRIATION<sup>a</sup> Continued</b>						
IT System for the Caregivers Program	1	1	*	*	*	2
Estimated Authorization Level	1	1	*	*	*	2
Estimated Outlays						
Total Increases						
Estimated Authorization Level	3	35	166	48	52	305
Estimated Outlays	2	32	147	55	54	291

Notes: \* = less than \$500,000; details do not add to totals because of rounding.

- a. Section 304 would require the Department of Defense to review a potentially large number of old records, with the goal of declassifying material related to exposures of service members to toxic substances. CBO cannot provide an estimate for that provision.