



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 6, 2004

S. 2057

An act to require the Secretary of Defense to reimburse members of the United States Armed Forces for certain transportation expenses incurred by the members in connection with leave under the Central Command Rest and Recuperation Leave Program before the program was expanded to include domestic travel

As cleared by the Congress on March 30, 2004

SUMMARY

S. 2057 will require the Department of Defense (DoD) to reimburse servicemembers for the cost of travel between two locations within the United States if the travel occurred between September 25, 2003, and December 18, 2003, as part of Central Command's (CENTCOM's) leave program for servicemembers participating in Operation Enduring Freedom or Operation Iraqi Freedom. DoD revised its regulations to pay for these costs beginning December 19, 2003.

Because the act will authorize retroactive payments to reimburse servicemembers for travel expenses incurred between September 25, 2003, and December 18, 2003, it will increase direct spending. CBO estimates that the legislation will increase direct spending by \$7 million in 2004, and \$13 million over the 2004-2005 period. CBO estimates that this act will have no effect on revenues.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2057 on direct spending is shown in the following table. The costs of this legislation fall within budget function 050 (national defense).

	By Fiscal Year, in Millions of Dollars					
	2004	2005	2006	2007	2008	2009
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	13	0	0	0	0	0
Estimated Outlays	7	6	0	0	0	0

BASIS OF ESTIMATE

Because of the length of deployments to Iraq, Afghanistan, and other locations in Southwest Asia, CENTCOM implemented a rest and recuperation program, which grants 15 days of leave for troops on combat tours lasting a year or more. Under that program, DoD originally paid for all costs associated with transporting servicemembers to and from four locations in the continental United States—specifically the airports at Baltimore, Maryland; Atlanta, Georgia; Dallas/Fort Worth, Texas; and Los Angeles, California—but did not pay for travel between those locations and servicemembers’ homes or other final leave destinations.

As part of Public Law 108-106, making emergency supplemental appropriations for defense and for the reconstruction of Iraq and Afghanistan for the fiscal year ending September 30, 2004, and for other purposes, the Congress directed DoD to also pay for the cost of a servicemember’s travel between those U.S. disembarkation points to his or her final leave destination. Regulations implementing this authority took effect on December 19, 2003, a point after which many servicemembers had already taken leave and paid for the domestic portion of their travel from personal funds.

S. 2057 will allow DoD to reimburse servicemembers for travel they made under CENTCOM’s leave program before DoD’s revised regulations became effective. Based on information from DoD, CBO estimates that about 38,000 servicemembers took part in CENTCOM’s leave program before December 19, 2003, and that about 30,000 of those will seek reimbursement for domestic travel. Assuming that each servicemember spent about \$425 for roundtrip travel between the U.S. disembarkation point and his or her final leave destination—an average U.S. domestic airline fare—and allowing for delays in processing these reimbursements, CBO estimates that this legislation will increase direct spending by \$13 million over the 2004-2005 period. (We expect that about half of the reimbursements will be paid this fiscal year, with the remainder paid in fiscal year 2005.)

PREVIOUS CBO ESTIMATES

On March 17, 2004, CBO transmitted a cost estimate for S. 2057, as passed by the Senate on March 3, 2004. On March 23, 2004, CBO transmitted a cost estimate for S. 2057, as ordered reported by the House Committee on Armed Services on March 17, 2004. The three versions of the legislation are identical, as are the three estimates.

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