



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

January 14, 2014

S. 932
Putting Veterans Funding First Act of 2013
*As ordered reported by the Senate Committee on Veterans' Affairs
on November 19, 2013*

SUMMARY

S. 932 would authorize appropriations in advance for certain programs within the Department of Veterans Affairs (VA). CBO estimates that implementing the bill would have a net cost of \$30 billion over the 2014-2019 period, assuming appropriations action consistent with the bill. Enacting S. 932 would not affect direct spending or revenues, therefore, pay-as-you go procedures do not apply.

S. 932 contains no 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. 932 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

	By Fiscal Year, in Millions of Dollars						2014- 2019
	2014	2015	2016	2017	2018	2019	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION							
Estimated Authorization Level	0	0	9,000	9,284	9,584	9,879	37,747
Estimated Outlays	0	0	6,160	7,543	7,991	8,386	30,080

BASIS OF ESTIMATE

S. 932 would authorize advance appropriations for a number of discretionary and mandatory accounts within budget function 700 (veterans benefits and services). Assuming appropriation of the necessary amounts, implementing S. 932 would cost about \$30 billion over the 2014-2019 period. Because the budget accounts classified as mandatory are permanently authorized under current law, enacting S. 932 would have no effect on direct spending.

S. 932 would authorize advance appropriations for 16 budget accounts:

- Medical and Prosthetic Research
- National Cemetery Administration
- Native American Veteran Housing Loan Program
- General Administration—General Operating Expenses
- General Operating Expenses—Veterans Benefits Administration (VBA)
- Information Technology Systems
- Office of the Inspector General
- Major Construction Projects
- Minor Construction Projects
- Grants for Construction of State Extended Care Facilities
- Grants for Construction of Veteran Cemeteries
- Compensations and Pensions—VBA
- Readjustment Benefits—VBA
- Veterans Insurance and Indemnities—VBA
- Veterans Housing Benefit Fund—VBA
- Vocational Rehabilitation Loans Program Account—VBA

Under current law, appropriations for those accounts are provided annually. For each year starting in 2016, S. 932 would authorize appropriations for that fiscal year as well as advance appropriations for the following fiscal year. CBO estimates that implementing S. 932 would cost about \$30 billion over the 2014-2019 period, assuming appropriation of the necessary amounts.

CBO's estimate of the appropriations authorized by the bill are the same as projections for the 2016-2018 period in the most recent CBO baseline, completed in May 2013. Those amounts are derived from the 2013 appropriated level for each discretionary account and adjusted for anticipated inflation. CBO expects that those amounts would be sufficient to provide services at the current level. However, if VA were to significantly expand the programs funded through those accounts, such as construction or research projects, additional funding would be required.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 932 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On August 15, 2013, CBO transmitted a cost estimate for H.R. 813, the Putting Veterans Funding First Act of 2013, as ordered reported by the House Committee on Veterans Affairs on August 1, 2013. Section 2 of H.R. 813 is similar to S. 923, but S. 923 would authorize appropriations for an additional budget account. Differences in the estimated costs reflect that difference in the bill language.

ESTIMATE PREPARED BY:

Federal Costs: Dwayne M. Wright
Impact on State, Local, and Tribal Governments: J'nell L. Blanco
Impact on the Private Sector: Elizabeth Bass

ESTIMATE APPROVED BY:

Theresa Gullo
Deputy Assistant Director for Budget Analysis