



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 29, 2000

H.R. 3256 **Veterans' Right to Know Act**

As introduced on November 8, 1999

SUMMARY

H.R. 3256 would require the Department of Veterans Affairs (VA) to launch new efforts to inform veterans and dependents about their eligibility for benefits. Such efforts are commonly referred to as outreach activities. CBO estimates that implementing the bill would cost about \$1 million in 2001 and \$2 million annually over the 2002-2005 period, assuming appropriation of the necessary amounts. Because the bill would not affect direct spending or revenues, pay-as-you-go procedures would not apply.

H.R. 3256 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3256 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

Outreach Mailings

Under current law, VA has an outreach program that informs newly discharged veterans of the benefits available to them. H.R. 3256 would add to those activities by requiring VA to provide information about eligibility for benefits and health services when veterans or dependents first apply for any veteran's benefit.

To comply with the bill, the three large administrative branches of VA would probably use current data systems to identify new claimants and to send them the required information. Data from VA indicates that it would have to send roughly two million additional mailings

annually. CBO estimates that in 2001 implementing the bill would cost about \$1 million, as VA starts the new mailing process, and that costs over the 2002-2005 period would reach \$2 million annually, assuming appropriation of the necessary amounts. As individuals file claims for different benefits they would receive the information more than once because those three branches of VA operate separate data systems. If planned improvements to VA's information systems are implemented, the duplicate mailings could be eliminated and the cost of complying with this provision would be lower.

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for VA General Operating Expenses						
Estimated Authorization Level ^a	941	941	941	941	941	941
Estimated Outlays	925	941	941	941	941	941
Proposed Changes						
Estimated Authorization Level	0	1	2	2	2	2
Estimated Outlays	0	1	2	2	2	2
Spending Under H.R. 3256 for VA General Operating Expenses						
Estimated Authorization Level ^a	941	942	943	943	943	943
Estimated Outlays	925	942	943	943	943	943

a. The 2000 level is the amount appropriated for that year. The current law amounts for the 2001-2005 period assume that appropriations remain at the 2000 level, without adjustment for inflation. If they are adjusted for inflation, the base amounts would be increased by about \$30 million a year, but the estimated changes would remain as shown under "Proposed Changes."

VA Outreach Plan

Section 2(b) would require an annual report on VA's efforts to inform veterans about the benefits available to them. VA would have to report on its efforts to inform veterans of changes in benefits programs and health care eligibility and would require VA to consult with various business, professional, and veterans' organizations in developing the plan. Based on information from VA, CBO assumes that activities under section 2(b) would be similar to efforts already underway at VA and estimates that this provision would cost less than \$100,000 a year.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3256 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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