



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 28, 2000

S. 1806

A bill to authorize the payment of a gratuity to certain members of the Armed Forces who served at Bataan and Corregidor during World War II, or the surviving spouses of such members, and for other purposes

As introduced on October 27, 1999

SUMMARY

S. 1806 would authorize the Secretary of Veterans Affairs to pay a gratuity to certain veterans who served in Japanese prison camps during World War II and their surviving spouses. This bill would cost about \$54 million over the 2001-2005 period, assuming appropriation of the estimated amounts. Because S. 1806 would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

S. 1806 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1806 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

This bill would authorize the Secretary of Veterans Affairs to pay a gratuity of \$20,000 to veterans who were held as prisoners of war (POW) in the Bataan or Corregidor regions of the Philippines during World War II and sent to Japan to perform slave labor. An estimated 8,000 American POWs from the two regions were repatriated from mainland Japan at the end of World War II. Many such former POWs and their spouses have died in the last 45 years.

By Fiscal Year, in Millions of Dollars

	2000	2001	2002	2003	2004	2005
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CHANGES IN SPENDING SUBJECT TO APPROPRIATION

Estimated Authorization Level	0	17	16	16	2	2
Estimated Outlays	0	17	16	16	2	2

Based on historical records and actuarial data about veterans, CBO estimates that in 2000 about 3,000 veterans and survivors would be eligible to receive the \$20,000 benefit that S. 1806 would authorize. However, notifying veterans of the new benefit and adjudicating their claims would delay the award of benefits to eligible beneficiaries. Additional deaths during this delay would reduce the pool of eligible veterans and survivors and thus reduce the cost of the bill. CBO estimates that about 2,700 beneficiaries would collect benefits, resulting in a cost of \$54 million over the 2001-2005 period. CBO estimates that each year during the 2001-2003 period, 30 percent of the eligible beneficiaries would receive the benefit. For 2004 and 2005, CBO assumes that 5 percent would receive a payment.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1806 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on the budgets of state, local, or tribal governments.

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