



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 10, 2002

H.R. 4015 **Jobs for Veterans Act**

*As ordered reported by the House Committee on Veterans' Affairs
on May 9, 2002*

SUMMARY

H.R. 4015 would make changes to provisions that govern federal employment and training programs for veterans, and also would raise the threshold at which contractors with the federal government must comply with veterans employment provisions. The bill also would authorize a new grant program of incentive awards to states that meet certain performance measures, and would create a President's National Hire Veterans Committee. Assuming the appropriation of the amounts authorized in the bill, CBO estimates that the new provisions would cost \$72 million over the 2003-2007 period. This bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures would not apply.

H.R. 4015 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would place new requirements on states that administer job training and employment programs and receive federal funding. Consequently, those requirements are conditions of federal assistance and not intergovernmental mandates. The bill also would increase funding for veterans employment programs through new incentive awards to states.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4015 is shown in the following table. The cost of this legislation falls within budget function 700 (veterans benefits and services).

	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Performance Incentive Awards					
Authorization Level	0	10	25	50	75
Estimated Outlays	0	1	6	19	38
President's National Hire Veterans Committee					
Authorization Level	3	3	3	0	0
Estimated Outlays	1	3	3	2	0
Department of Labor Study					
Authorization Level	1	0	0	0	0
Estimated Outlays	*	1	0	0	0
Total Changes					
Authorization Level	4	13	28	50	75
Estimated Outlays	2	5	9	20	38

Notes: Components may not sum to totals because of rounding.

* = Less than \$500,000.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 4015 will be enacted by September 30, 2002, and that the authorized amounts will be appropriated for each year. Outlays are based on historical spending patterns for similar programs.

H.R. 4015 would authorize performance incentive awards for states to encourage the improvement and modernization of employment, training, and placement services for veterans. The bill would authorize appropriations of \$10 million in 2004, \$25 million in 2005, \$50 million in 2006, \$75 million in 2007, \$100 million in 2008, and such sums as may be necessary for 2009 and subsequent fiscal years.

In addition, H.R. 4015 would authorize a committee within the Department of Labor (DOL) to raise employer awareness of the skills of veterans and of the benefits of hiring veterans. The bill would authorize \$3 million each year for fiscal years 2003 through 2005 for this President's National Hire Veterans Committee.

H.R. 4015 would authorize the appropriation of \$1 million for DOL to produce a study on the economic benefit to the United States attributable to providing employment and training services to veterans.

H.R. 4015 would increase the threshold amount of \$25,000 to \$100,000 for contracts under which a contractor must comply with veterans employment provisions. While the increase in the threshold could decrease administrative costs to review contracts, CBO does not estimate any significant impact.

In addition, the legislation would amend the definition of a covered veteran in the veterans employment provisions of federal contracts. The bill would add certain post-Vietnam veterans to be included in the definition of covered veterans. Although this change would increase administrative costs, CBO estimates the cost of implementing this provision would be insignificant.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 4015 contains no intergovernmental mandates as defined in UMRA. The bill would place new requirements on states that administer job training and employment programs and receive federal funding. Consequently, those requirements are conditions of federal assistance and not intergovernmental mandates. The bill also would increase funding for veterans employment programs through new incentive awards to states.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill contains no private-sector mandates as defined in UMRA.

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