



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

October 6, 2003

H.R. 1516
National Cemetery Expansion Act of 2003

As ordered reported by the Senate Committee on Veterans' Affairs on September 30, 2003

SUMMARY

H.R. 1516 would direct the Secretary of Veterans Affairs (VA) to establish new national cemeteries for deceased veterans in southeastern Pennsylvania, the Birmingham, Alabama area, the Jacksonville, Florida area, the Bakersfield, California area, the Greenville/Columbia, South Carolina area, and the Sarasota County, Florida area. CBO estimates that implementing the act would cost \$11 million in 2004 and \$93 million over the 2004-2008 period, assuming appropriation of the necessary amounts. The act would not affect direct spending or receipts.

H.R. 1516 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1516 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				
	2004	2005	2006	2007	2008
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	42	0	21	0	90
Estimated Outlays	11	31	10	11	30

BASIS OF ESTIMATE

Based on information from VA about the costs of cemeteries currently under construction, CBO estimates that the planning and construction of these six new national cemeteries would require the appropriation of \$153 million over the 2004-2008 period. According to VA, it takes about five years, on average, to establish a new national cemetery. In 2004, costs of about \$42 million would stem from environmental impact studies and the acquisition of the needed land. Absent information from VA, CBO assumes that all of the land for these cemeteries would have to be purchased (land donations would decrease the cost of acquisition). The subsequent planning, design, and preparation of specifications for the six cemeteries would take about two years and would cost about \$21 million. CBO estimates that appropriations of about \$90 million would be necessary in 2008 for cemetery construction, and that the resulting outlays would occur over a three-year period. Thus, CBO estimates that implementing the act would cost \$11 million in 2004 and \$93 million over the 2004-2008 period, assuming appropriation of the necessary amounts.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1516 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 July 1, 2003, CBO transmitted a cost estimate for H.R. 1516 as ordered reported by the House Committee on Veterans' Affairs on June 26, 2003. The Senate version of H.R. 1516 would authorize the establishment of one additional national cemetery; therefore, the estimated costs of this version of the act are higher.

ESTIMATE PREPARED BY:

Federal Costs: Dwayne M. Wright

Impact on State, Local, and Tribal Governments: Melissa Merrell

Impact on the Private Sector: Allison Percy

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis