



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 4, 2004

**H.R. 4248
Homeless Veterans Assistance Reauthorization Act of 2004**

*As ordered reported by the House Committee on Veterans' Affairs
on May 19, 2004*

SUMMARY

H.R. 4248 would authorize appropriations for the Department of Veterans Affairs (VA) to provide assistance to homeless veterans. The bill also would permanently extend the authority for VA to provide counseling to those veterans who have suffered from sexual trauma.

CBO estimates that implementing this bill would cost \$30 million in 2005 and \$375 million over the 2005-2009 period, assuming appropriation of the estimated amounts. Enacting the bill would not affect direct spending or revenues.

H.R. 4248 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. 4248 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	2009
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Assistance for Homeless Veterans and Sexual Trauma Counseling						
Budget Authority/Authorization Level ^a	79	78	0	0	0	0
Estimated Outlays	79	77	7	0	0	0
Proposed Changes						
Assistance for Homeless Veterans						
Authorization Level	0	25	100	100	100	0
Estimated Outlays	0	23	92	99	99	10
Sexual Trauma Counseling						
Estimated Authorization Level	0	7	11	11	12	12
Estimated Outlays	0	7	10	11	12	12
Total Changes						
Estimated Authorization Level	0	32	111	111	112	12
Estimated Outlays	0	30	102	110	111	22
Spending Under H.R. 4248 for Assistance for Homeless Veterans and Sexual Trauma Counseling						
Estimated Authorization Level	79	110	111	111	112	12
Estimated Outlays	79	107	109	110	111	22

a. The 2004 level is the estimated amount appropriated for that year. No appropriation has yet been provided for fiscal year 2005. The amount in 2005 represents a current authorization of \$75 million for assistance for homeless veterans and \$3 million for sexual trauma counseling.

BASIS OF ESTIMATE

This estimate assumes that H.R. 4248 will be enacted near the start of fiscal year 2005, and that the authorized and estimated amounts will be appropriated for each year.

Assistance for Homeless Veterans

Section 2 would authorize the appropriation of \$100 million in 2005, instead of the \$75 million that is authorized under current law, for the purpose of providing assistance to homeless veterans. It also would authorize \$100 million a year over the 2006-2008 period for the same purpose. These funds would be spent on providing grants to organizations to help them furnish, expand, or modify services to homeless veterans, including transitional housing, outreach programs, rehabilitative services, and vocational counseling and training. In addition, VA could use the funds to provide per diem payments to those organizations that

provide such services to homeless veterans. CBO estimates that implementing this provision would cost \$23 million in 2005 and \$323 million over the 2005-2009 period, assuming appropriation of the authorized amounts.

Sexual Trauma Counseling

Section 3 would permanently extend a provision allowing VA to provide counseling to veterans who suffered from sexual trauma while serving on active duty. Under current law, the authority to provide such counseling expires on December 31, 2004. Using information from VA, CBO estimates that about 2 percent (approximately 100,000) of veterans who received care from VA were eligible to receive counseling for sexual trauma in 2003. Data from VA, although incomplete, suggests that about 5,000, or 5 percent, of those eligible veterans received such counseling in 2003, at an average per capita cost of almost \$2,000. Assuming that about this same number of veterans receives counseling for sexual trauma each year over the 2005-2009 period, CBO estimates that permanently extending this provision would cost \$7 million in 2005 and \$52 million over the 2005-2009 period, assuming appropriation of the necessary amounts.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4248 contains no intergovernmental or private-sector mandates as defined in UMRA. Public agencies would be eligible to receive grants to provide and enhance services to homeless veterans; any costs incurred by those governments would be voluntary.

ESTIMATE PREPARED BY:

Federal Costs: Sam Papenfuss

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

Impact on the Private Sector: Chad Goldberg

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis