



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 22, 2015

H.R. 3106 **Construction Reform Act of 2015**

As ordered reported by the House Committee on Veterans' Affairs on September 17, 2015

H.R. 3106 would require the Department of Veterans Affairs (VA) to hire an Assistant Inspector General for construction projects. That official would be responsible for assessing the planning, design, and execution of major construction projects and leases at VA. Based on the average salary of senior executive service employees at VA, we estimate the salary and benefits for this position would amount to about \$215,000 in 2016. After adjusting for inflation, CBO estimates that implementing this provision would cost \$1 million over the 2016-2020 period.

The bill also would modify VA's procedures for managing major construction projects, require employee training on industry standards of construction projects, and require quarterly reports. CBO expects preparing necessary regulations, developing online training modules, and preparing reports would cost less than \$500,000 over the 2016-2020 period.

In addition, the bill would authorize new construction and renovation of five medical facilities for which funds have already been appropriated. Because spending on those projects would be limited to the amounts appropriated for those purposes, CBO estimates that implementing those provisions would not require additional appropriations.

In total, CBO estimates that implementing H.R. 3106 would have discretionary costs of \$1 million over the 2016-2020 period; such spending would be subject to the availability of appropriated funds.

Enacting H.R. 3106 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 3106 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2026.

H.R. 3106 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Ann E. Futrell. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.