



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 13, 2016

H.R. 4757

A bill to amend title 38, United States Code, to expand certain benefits related to the burial of deceased veterans, and for other purposes

*As ordered reported by the House Committee on Veterans' Affairs
on September 21, 2016*

SUMMARY

H.R. 4757 would modify burial programs administered by the Department of Veterans Affairs (VA) and would make certain deceased veterans eligible for Presidential Memorial Certificates. CBO estimates that enacting H.R. 4757 would increase direct spending by \$36 million over the 2017-2026 period. Pay-as-you-go procedures apply because enacting the legislation would affect direct spending. Enacting the bill would not affect revenues.

In addition, CBO estimates that implementing the bill would have discretionary costs totaling less than \$500,000 over the 2017-2021 period; that spending would be subject to the availability of appropriated funds.

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2027.

H.R. 4757 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 4757 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											
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-2021	2017-2026
INCREASES IN DIRECT SPENDING^a												
Estimated Budget Authority	1	3	3	3	4	4	4	4	4	5	15	36
Estimated Outlays	1	3	3	3	4	4	4	4	4	5	15	36

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

a. In addition to the changes in direct spending shown above, implementing H.R. 4757 would have discretionary costs totaling less than \$500,000 over the 2017-2021 period.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 4757 will be enacted before the end of calendar year 2016, that appropriations will reflect the estimated changes each year, and that outlays will follow historical spending patterns for the affected programs.

Direct Spending

Two provisions in H.R. 4757 would affect direct spending by modifying burial benefits for veterans. CBO estimates that enacting H.R. 4757 would increase direct spending by \$36 million over the 2017-2026 period.

Transportation of Deceased Veterans to Cemeteries. Section 3 would allow VA to pay for the costs of transporting the remains of deceased veterans to state or tribal cemeteries up to the amount it would cost to transport those remains to the nearest national cemetery. Under current law, VA may pay the costs for transporting the remains of deceased veterans to the nearest national cemetery.

Over the 2011-2014 period, VA paid to transport the remains of about 20 percent of the veterans who were buried in national cemeteries. The average amount paid for that service in 2015 was about \$600. CBO expects that, under this provision, requests for payment of transportation costs to state or tribal cemeteries would be made at a similar rate and that the average cost would be the same.

The number of veterans buried in state or tribal cemeteries grew from 21,300 in 2011 to 23,200 in 2014. CBO expects that rate of growth to continue over the 2017-2026 period and estimates that the number of such burials will increase from 24,600 in 2017 to 31,900 in 2026. CBO expects that VA would pay to transport remains for about 20 percent of those burials, or about 4,900 in 2017 increasing to about 6,400 in 2026. The average cost of transporting a veteran's remains grew from \$565 in 2011 to \$601 in 2015 and CBO

estimates a similar rate of growth in the average cost over the 2017-2026 period, leading to an average cost of transport per veteran of \$762 in 2026.

On that basis, CBO estimates that enacting section 3 would increase direct spending by \$36 million over the 2017-2026 period.

Burial Markers for Medal of Honor Recipients. Section 1 would make all Medal of Honor recipients who died after April 6, 1917, eligible for a headstone, marker, or medallion that signifies the veteran’s status as a recipient of the Medal of Honor. Because of the small number of individuals who would be made eligible under section 4 (about 1,100) and the small average cost per headstone, marker, or medallion (about \$200 for a headstone or marker and \$34 for a medallion in 2015), CBO estimates that enacting section 1 would increase direct spending by less than \$500,000 over the 2017-2026 period.

Spending Subject to Appropriation

Section 2 would make certain deceased veterans who served in the National Guard or Reserves eligible to receive a Presidential Memorial Certificate. According to VA, the average cost in 2015 for a Presidential Memorial Certificate was \$1. The application rate of those currently eligible for the certificate is quite low. On that basis, CBO estimates that the cost for implementing section 2 would be less than \$500,000 over the 2017-2021 period; such spending would be subject to the availability of appropriated funds.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 4757 as ordered reported by the House Committee on Veterans’ Affairs on September 21, 2016

	By Fiscal Year, in Millions of Dollars												
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-2021	2017-2026	
NET INCREASE OR DECREASE (-) IN THE [ON-BUDGET] DEFICIT													
Statutory Pay-As-You-Go Impact	1	3	3	3	4	4	4	4	4	5	15	36	

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

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2027.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4757 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On September 9, 2016, CBO transmitted a cost estimate for H.R. 4782, the Veterans' Compensation Cost-of-Living Adjustment Act of 2016, as ordered reported by the House Committee on Veterans' Affairs on May 18, 2016. H.R. 4757 contains sections that are similar to sections 3, 4, and 5 of H.R. 4782 and the estimated costs for those provisions are the same.

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