CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 24, 2016

S. 2921
Veterans First Act

As reported by the Senate Committee on Veterans' Affairs on May 16, 2016

SUMMARY

Enacting S. 2921 would affect several benefit programs administered by the Department of Veterans Affairs (VA), including those providing education, housing, and burial benefits. On net, those changes would decrease direct spending by $3.9 billion over the 2017-2026 period.

In addition, S. 2921 would make a number of changes to VA's health care programs, including expanding the caregivers program, improving benefits for homeless veterans, and increasing pay for medical staff. In total, CBO estimates that implementing those provisions would cost $3.5 billion over the 2017-2021 period, subject to appropriation of the necessary amounts.

Pay-as-you-go procedures apply because enacting the legislation would affect direct spending. Enacting the bill would not affect revenues. CBO estimates that enacting S. 2921 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

S. 2921 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 S. 2921 is shown in Table 1. The costs of this legislation fall within budget function 700 (veterans benefits and services).

TABLE 1. ESTIMATED BUDGETARY EFFECTS OF S. 2921, THE VETERANS FIRST ACT

	By Fiscal Year, in Millions of Dollars					
	2017	2018	2019	2020	2021	2017-2021
INCREASES OR DECREASES (-) IN DIRECT SPENDING[a]						
Estimated Budget Authority	9	-111	-235	-332	-357	-1,028
Estimated Outlays	1,773	-1,675	-235	-332	-357	-828
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	44	130	448	1,123	1,925	3,671
Estimated Outlays	32	126	415	1,049	1,830	3,453

Note: Annual amounts do not add to totals because of rounding.

a. Enacting S. 2921 would have effects beyond 2021. CBO estimates that under the bill, direct spending would decrease by $3.9 billion over the 2017-2026 period.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 2921 will be enacted near the start of fiscal year 2017, that the estimated amounts will be appropriated each year, and that outlays will follow historical spending patterns for affected programs.

Direct Spending

S. 2921 would reduce the benefits paid under certain education and rehabilitation programs administered by VA and would expand eligibility for those programs. It also would modify other programs for veterans, including those providing guarantees for home loans, health care benefits, and certain pensions. On net, those changes would decrease direct spending by $3.9 billion over the 2017-2026 period (see Table 2).

Education. Provisions in titles IV and IX would modify certain aspects of VA's education benefits programs. In total CBO estimates enacting those provisions would decrease net direct spending by $3.1 billion over the 2017-2026 period.

Reduced Housing Allowances. Under the Post-9/11 GI Bill (Chapter 33), VA provides monthly housing allowances to certain beneficiaries while they are in school. Those allowances are set at the amount of the housing allowance paid by the Department of

Defense (DoD) to enlisted service members with dependents and a rank of E-5. Additionally, VA provides some disabled veterans enrolled in education and training for rehabilitation with a monthly stipend at that same rate. Section 903 would reduce those payments.

TABLE 2. ESTIMATE OF THE EFFECTS OF S. 2921 ON DIRECT SPENDING

	By Fiscal Year, in Millions of Dollars											
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-2021	2017-2026
INCREASES OR DECREASES (-) IN DIRECT SPENDING												
Education												
Reduced Housing Allowances												
Estimated Budget Authority	-8	-137	-268	-373	-388	-408	-429	-450	-468	-481	-1,174	-3,410
Estimated Outlays	-8	-137	-268	-373	-388	-408	-429	-450	-468	-481	-1,174	-3,410
Credit for Reserve Service												
Estimated Budget Authority	0	6	8	10	12	14	16	17	18	19	36	120
Estimated Outlays	0	6	8	10	12	14	16	17	18	19	36	120
Restoration of Education Benefits												
Estimated Budget Authority	11	13	15	18	14	15	16	17	17	18	71	154
Estimated Outlays	11	13	15	18	14	15	16	17	17	18	71	154
Payments for Reports												
Estimated Budget Authority	-1	-4	-4	-4	-4	-5	-5	-5	-5	-5	-17	-42
Estimated Outlays	-1	-4	-4	-4	-4	-5	-5	-5	-5	-5	-17	-42
Reserve Educational Assistance Program												
Estimated Budget Authority	4	5	5	5	5	4	2	1	1	1	24	33
Estimated Outlays	4	5	5	5	5	4	2	1	1	1	24	33
Fry Scholarships												
Estimated Budget Authority	2	4	6	9	2	2	2	2	2	2	23	33
Estimated Outlays	2	4	6	9	2	2	2	2	2	2	23	33
In-State Tuition for Dependents												
Estimated Budget Authority	0	-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-9
Estimated Outlays	0	-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-9
Work-Study Program												
Estimated Budget Authority	1	1	1	1	*	0	0	0	0	0	4	4
Estimated Outlays	1	1	1	1	*	0	0	0	0	0	4	4
Subtotal Education												
Estimated Budget Authority	9	-113	-238	-335	-360	-379	-399	-419	-436	-447	-1,037	-3,117
Estimated Outlays	9	-113	-238	-335	-369	-379	-399	-419	-436	-447	-1,037	-3,117

(Continued)

TABLE 2. CONTINUED

	By Fiscal Year, in Millions of Dollars											
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-2021	2017-2026
INCREASES OR DECREASES (-) IN DIRECT SPENDING												
Other												
Loan Guarantee Fees												
Estimated Budget Authority	0	0	0	0	0	0	0	0	-503	-514	0	-1,017
Estimated Outlays	0	0	0	0	0	0	0	0	-503	-514	0	-1,017
VA Choice Program												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	1,764	-1,564	0	0	0	0	0	0	0	0	200	200
Medal of Honor Pensions												
Estimated Budget Authority	0	2	2	2	2	2	2	1	1	1	6	14
Estimated Outlays	0	2	2	2	2	2	2	1	1	1	6	14
Medallions												
Estimated Budget Authority	*	*	1	1	1	1	1	1	1	1	3	5
Estimated Outlays	*	*	1	1	1	1	1	1	1	1	3	5
Subtotal Other												
Estimated Budget Authority	*	2	3	3	3	3	3	2	-501	-512	9	-998
Estimated Outlays	1,764	-1,562	3	3	3	3	3	2	-501	-512	209	-798
Total Changes in Direct Spending												
Estimated Budget Authority	9	-111	-235	-332	-357	-376	-396	-417	-937	-959	-1,028	-4,115
Estimated Outlays	1,773	-1,675	-235	-332	-357	-376	-396	-417	-937	-959	-828	-3,915

Note: Details do not add to totals because of rounding; * = less than $500,000; VA = Department of Veterans Affairs.

The Department of Defense sets its housing allowances on the basis of average housing costs for each locality. The National Defense Authorization Act for Fiscal Year 2016 (Public Law 114-92), authorized the department to reduce those allowances by up to 5 percent below the average. DoD has cut that allowance by 2 percentage points to 98 percent of the average for 2016. CBO expects that DoD will phase in the rest of the reduction by 1 percentage point a year through 2019. Under current law, VA's housing allowances are exempt from those reductions. Section 903 would strike VA's exemption, resulting in a decrease in the allowances provided by VA.

Based on current enrollment data, CBO estimates that about 800,000 people will use Chapter 33 benefits in 2017, and that the housing allowance per beneficiary will average about $7,600 in that year. (Many beneficiaries are not eligible to receive a housing allowance from VA, and most of those who do only receive the allowance during the nine-month academic year; thus, the average payment is significantly less than the approximately $19,500 in housing allowance that an E-5 with dependents will receive in 2017 under current law.) On that basis, and accounting for growth in the eligible population and incorporating annual inflation, CBO estimates that enacting section 903 would reduce direct spending for Chapter 33 benefits by almost $3.2 billion over the 2017-2026 period.

About 27,000 disabled veterans enrolled in college, apprenticeship programs, or on-the-job training through VA's rehabilitation services receive the same housing stipend as that provided to Chapter 33 beneficiaries. Those stipends would be similarly affected by section 903. CBO estimates that cutting the stipends as described above would reduce direct spending for rehabilitative benefits by about $170 million over the 2017-2026 period.

In total, enacting section 903 would reduce direct spending by $3.4 billion over the 2017-2026 period.

Credit for Reserve Service. Section 403 would expand the conditions under which active-duty service by reservists would count as qualifying service for accruing education benefits under Chapter 33. That change would apply to payments for benefits used one year after the date of enactment of the bill and would count active-duty service performed at any time after September 11, 2001.

Under section 403, reservists would accrue benefits for active-duty service in the course of certain preplanned training operations or in response to natural disasters. On the basis of historical data from the Department of Defense regarding such activations, CBO estimates that about 5,000 reservists will have served on those orders and spent an average of nine months in that status before the bill is enacted and that about 2,800 reservists will be called to active-duty annually for those operations after that date, and for a similar period of time. For those individuals, that additional qualifying service could result in a roughly 25 percent increase in annual benefits under Chapter 33—about $3,900 per person in 2018.

The time reservists spend on active duty while receiving medical care or undergoing a medical evaluation also would count for the purpose of accruing such education benefits. For those individuals, that additional qualifying service could result in a roughly 15 percent increase in annual benefits under Chapter 33—about $2,600 per person in 2018. On the basis of data from DoD, CBO estimates that about 1,000 reservists will be called to active duty for those reasons annually, and spend an average of six months in that status. Additionally, about 17,000 reservists have performed such active duty since 2001 and would qualify for a higher payment for benefits used after 2017.

Some activated reservists will already qualify for the maximum benefit as a result of other time on active duty; others would not use their benefits at all, even if the amount of the benefit were increased. Some reservists with prior qualifying service already will have used the benefits before the increased payment would be available. Based on an analysis of personnel data from DoD, CBO estimates that under section 403, about half of the reservists who are activated would receive and use additional benefits as a result of that service. In total, the additional payments from VA for those benefits would increase direct spending by $120 million over the 2018-2026 period, CBO estimates.

Restoration of Education Benefits. Section 402 would increase the education benefits that VA provides under the Post-9/11 GI Bill by restoring some of those benefits to students who attend institutions that permanently close during an academic term.

Under current law, VA pays educational institutions at the start of the academic term for beneficiaries' tuition and fees. It then reduces the months of education benefits available to those students by the duration of that term. If a school permanently closes during the term, students will have been charged for use of the benefit, but may not have received academic credit. Additionally, VA discontinues payment of the monthly housing allowance to students at the time the school closes. Military personnel earn 36 months of Chapter 33 benefits if they serve on active duty after September 11, 2001; however, beneficiaries may have fewer than 36 months available if service members transfer a portion of the benefit to dependents or use education benefits under a different VA education program. The bill would direct VA to restore lost months of education benefits to students who do not receive credit for a term as a result of school closures occurring in 2015 or thereafter.

Restoring benefit months would increase VA's payments only for those students who would otherwise use every month of education benefit currently available to them. In addition, those new costs would not begin to accrue for a beneficiary until that individual had used each month of eligibility available to them under current law and continued on to use months newly available under this provision. Thus, CBO expects that additional costs resulting from closures in a particular year would occur over several subsequent years.

On the basis of data from VA regarding usage rates for its education programs, CBO expects that roughly 2,500 students using the Post-9/11 GI Bill will be affected by school closures each year and that about half of those beneficiaries will use every month of education benefits available to them under the current program. Thus, CBO estimates that under section 402, about 1,250 beneficiaries each year would receive about five months of restored eligibility that they would use over the succeeding years. CBO further estimates that the average cost of that additional usage would be $6,300 in 2017 and would increase with inflation in subsequent years. On that basis, restoring benefits under section 402 would increase direct spending by almost $100 million over the budget window, CBO estimates.

Section 402 also would require VA to continue to pay the monthly housing allowance to beneficiaries affected by school closures for the lesser of four months or the remainder of the cancelled term. Under that requirement, CBO estimates that 2,500 students a year would receive an average of three additional months of housing allowance at a cost of $1,900 per person in 2017. After incorporating annual inflation, those additional payments would increase direct spending by a total of $54 million over the 2017-2026 period, CBO estimates.

In total, enacting section 402 would increase direct spending by $154 million over the 2017-2026 period.

Payments for Reports. Section 902 would temporarily reduce the fee that VA pays educational institutions to report certain information on enrollees who are using VA education benefits at those institutions. The annual amount VA pays per enrollee would decline by $1 (from $13 to $12) for fiscal year 2017 and by $4 (from $12 to $8) for nine subsequent fiscal years. (In a small number of cases, VA pays a $15 fee, which would be reduced to $12.) About 1.2 million people use veterans' education benefits each year and the costs of those benefits—including the reporting fees—are paid from mandatory appropriations. Thus, cutting the fee would reduce direct spending by about $4 million annually and $42 million over the 2017-2026 period, CBO estimates.

Reserve Educational Assistance Program. Section 409 would restore education benefits for certain military reservists who served on active duty in response to a war or national emergency. Under the Reserve Educational Assistance Program (REAP), those reservists earned up to 80 percent of the education benefit paid under the Montgomery GI Bill, based on the length of their qualifying active-duty service. The National Defense Authorization Act for 2016 (Public Law 114-92) terminated that program effective November 25, 2019, and limits the use of benefits under REAP to those students who were enrolled in school when that law was enacted. Reservists who were not enrolled at that time can no longer use their REAP benefits.

Active-duty service that qualifies for the purpose of earning REAP benefits also would qualify for earning benefits under the Post-9/11 GI Bill. However, reservists must irrevocably decide, at the time that they apply to use VA education benefits, towards which program that service would be credited. Individuals who chose to claim benefits under REAP and who were not enrolled in school on November 25, 2015, are not able to count their service towards Post-9/11 GI Bill benefits, nor are they eligible to continue using benefits under REAP.

Section 409 would allow such personnel to receive benefits under Chapter 33. The number of months would be limited to the amount of unused REAP benefits remaining to the individual. Payments would be set at 40 percent of the full benefit level for Chapter 33, or about $7,000 in 2017. On the basis of data from DoD, CBO estimates that the 2,800 reservists who were affected by the termination of REAP would use, on average, 18 months of education benefits. After adjusting the annual payment level for inflation, CBO estimates that the use of those additional benefits would increase direct spending by $33 million over the 2017-2026 period.

Fry Scholarships. The Marine Gunnery Sergeant John David Fry Scholarship provides 36 months of education benefits under the Post-9/11 GI Bill to spouses and children of service members who died on active duty at any time after September 11, 2001. Section 401 would allow recipients of the Fry scholarship to receive additional benefits under the Yellow Ribbon GI Education Enhancement Program (YRP). It also would extend the time certain surviving spouses have to use their education benefits. In total, CBO estimates that enacting section 401would increase direct spending by $33 million over the 2017-2026 period.

As part of the Post-9/11 GI Bill, the YRP provides additional payments for some students—such as those at certain private schools and students attending public schools outside of their states of residence—who face tuition and fees above what VA will typically cover. Institutions participating in the YRP agree to cover a portion of the difference between the tuition charged and the amount that VA would otherwise pay. VA then matches that financial assistance, thereby reducing or eliminating students' out-of-pocket expenses.

In 2014, VA made payments averaging $5,700 for 4 percent of the students who were eligible for the Yellow Ribbon Program. About 5,600 people with Fry Scholarships will attend school each year, CBO estimates. Assuming the same percentage of students with Fry Scholarships get similar YRP benefits (incorporating annual inflation in tuition and housing), those additional payments would increase direct spending by $19 million over the 2017-2026 period, CBO estimates.

The bill also would extend the time allowed for certain surviving spouses to use their benefits. Under current law, education benefits for spouses expire 15 years after the service member dies. Fry scholarship benefits were first extended to spouses in 2014. Thus, immediately on enactment, some spouses were near the delimiting date for the use of education benefits. Section 401 would treat service members' deaths that occurred between September 11, 2001, and December 31, 2005, as having occurred on January 1, 2006, for the purpose of determining the expiration date of Fry Scholarship benefits. On the basis of data from the Department of Defense, CBO estimates that about 2,000 surviving spouses would be allowed extra time—up to 51 additional months—to use benefits that would otherwise expire. Taking into account the likely usage rates for those individuals, CBO estimates that under section 401 VA would pay for about 850 more academic years at an average cost of $17,000 per year, increasing direct spending by almost $15 million over the 2017-2026 period.

In-State Tuition for Dependents. For certain dependents who receive transferred benefits under Chapter 33, section 428 would require public institutions of higher learning to set tuition and fees at rates that are no higher than those charged to state residents. The requirement would apply to tuition charged to students who are living in the state where they attend school and whose parent was discharged from the military within three years of the date of enrollment. Institutions that declined to charge the lower tuition rate would be disapproved for attendance by students using VA education benefits. To the extent that public institutions complied and lowered prices for such beneficiaries, the difference between the rate charged by the institution and the amount paid by VA under the standard Post 9/11 program would decline or disappear. Thus, VA would not have to provide matching payments under the Yellow Ribbon Program for institutions that would have covered part of that difference and spending for that program would decline.

Most dependents who attend public institutions in the state where they reside are charged in-state tuition, so the number of affected beneficiaries would be small. On the basis of data from VA, CBO estimates that each year about 100 students would no longer qualify for YRP benefits because they would be charged the lower in-state tuition as a result of section 428, reducing direct spending by $9 million over the 2017-2026 period.

Work-Study Program. Section 407 would renew for five years an expired authority to pay veterans to work in certain positions at VA while they are using educational assistance. Under the program, veterans could be paid the applicable state or federal minimum wage for up to 25 hours per week for working in VA hospitals, nursing homes, retirement homes, and veterans' cemeteries, or for performing outreach services to other veterans. The authority to hire veterans in those positions expired on June 30, 2013.

In 2012, the last full year before the authority expired, VA paid an average of $2,750 to about 400 veterans who performed such work. CBO expects that participation would be similar under the renewed program; therefore, we estimate that enacting section 407 would increase direct spending by $4 million over the 2017-2026 period.

Other. Several other provisions would affect direct spending. In total, enacting those provisions would decrease direct spending by $798 million over the 2017-2026 period, CBO estimates.

Loan Guarantee Fees. Under its home loan program, VA provides lenders guarantees on mortgages made to veterans; those guarantees enable veterans to get better loan terms, such as lower interest rates or smaller down payments. The loan guarantees promise lenders a payment of up to 25 percent of the outstanding loan balance (subject to some limitations on the original loan amount) in the event that a veteran defaults on a guaranteed loan. Section 906 would increase some of the fees that VA charges veterans for providing those guarantees. By partially offsetting the costs of subsequent defaults, those fees lower the subsidy cost of the guarantees.[1]

Under current law, the up-front fee varies on the basis of the size of the down payment and whether the veteran has previously used the loan-guarantee benefit. Borrowers who are members of the military reserves component pay an additional fee of 0.25 percent of the loan amount. Veterans who receive compensation for service-connected disabilities are exempt from paying the fee. The current fees are:

- 2.15 percent of the loan amount for loans with no down payment,
- 1.50 percent of the loan amount for loans with a 5 percent down payment,
- 0.75 percent of the loan amount for loans with a 10 percent down payment,
- 3.30 percent of the loan amount for all loans if the veteran has used the guarantee benefit in the past.

Those fees are scheduled to decline on October 1, 2024, to 1.40 percent, 0.75 percent, 0.50 percent, and 1.25 percent, respectively.

Under section 906, that scheduled fee reduction would be delayed until October 1, 2026. Continuing the fees at their current level over that period would increase collections by VA in 2025 and 2026, thereby lowering the subsidy cost of the loan guarantees. Based on an analysis of program data from VA, CBO estimates that enacting section 906 would reduce direct spending by a total of $1 billion in those years.

1. Under the Federal Credit Reform Act of 1990, the subsidy cost of a loan guarantee is the net present value of estimated payments by the government to cover defaults and delinquencies, interest subsidies, or other expenses, offset by any payments to the government, including origination fees, other fees, penalties, and recoveries on defaulted loans. Such subsidy costs are calculated by discounting those expected cash flows using the rate on Treasury securities of comparable maturity. The resulting estimated subsidy costs are recorded in the budget when the loans are disbursed.

VA Choice Program. In 2014, VA was provided $10 billion to implement the VA Choice Program. That program is scheduled to end upon exhaustion of the funding provided or on August 6, 2017, whichever happens first. CBO estimates that the program will end on August 6, 2017, leaving $200 million in unspent funds.

Section 273 would eliminate the requirement that VA act as secondary payer for medical care provided under the VA Choice Program to veterans who have other health insurance and who are being treated for conditions unrelated to service-connected disabilities (SCDs). Currently, the health insurance for such veterans is the primary or first payer of the costs of that care and VA, as secondary payer, is responsible for any amount not covered by those health care plans. Under this provision, VA would become the primary payer.

On the basis of information from VA, we estimate that about 20 percent of the medical appointments arranged under the VA Choice Program are for veterans who have other insurance and who are treated for conditions that are not related to SCDs. For those appointments, we estimate that VA covers 20 percent of the health care costs (or roughly the amount of out-of-pocket expenses that would otherwise be paid by the veteran). Under current law, VA will spend about $900 million for those individuals in 2017, CBO estimates. We expect that under this proposal VA would instead cover 80 percent of the costs for those appointments (or a 300 percent increase in costs).

As a result, CBO estimates that this section would increase spending for the VA Choice Program in 2017 by spending money in that year that would otherwise be spent in 2018 ($1.6 billion) and by spending the $200 million that we expect will remain unspent under current law. On net, CBO estimates that enacting section 273 would increase direct spending by $200 million over the 2017-2026 period.

Medal of Honor Pensions. Effective one year from the date of enactment, section 302 would increase the special monthly pension rate paid to Congressional Medal of Honor recipients from $1,299 per month to $3,000 per month, and adjust it annually thereafter for inflation. As of 2015, there were 79 individuals receiving a special monthly pension for the Medal of Honor. While CBO estimates that, on average, one new living recipient will receive a Medal of Honor and thus a special monthly pension each year, expected mortality rates for the existing population will cause their total numbers to decline gradually over the coming years. After accounting for projected mortality, new recipients, and inflation, CBO estimates that section 302 would increase direct spending for those pensions by $14 million over the 2018-2026 period.

Medallions. Section 801 would allow survivors of eligible deceased veterans to receive a VA-furnished medallion (the medallions are affixed to existing headstones) instead of a headstone or marker for use in a private cemetery. Eligible veterans are those who served in the armed forces on or after April 6, 1917. Under current law, VA can only provide a medallion for eligible veterans buried in private cemeteries who died on or after November 1, 1990. Based on information from VA, CBO expects about 5,400 such requests to be made per year. At a cost of about $100 per medallion, CBO estimates that enacting section 801 would increase direct spending by $5 million over the 2017-2026 period.

Spending Subject to Appropriation

S. 2921 contains a number of provisions that would affect a broad array of VA programs and personnel policies. In total, CBO estimates that implementing those provisions would cost $3.5 billion over the 2017-2021 period, assuming appropriation of the necessary amounts (see Table 3).

Health Care. Provisions in Title II would expand the health care services VA offers to veterans and their caregivers and modify VA's administration of its health care programs. In total, CBO estimates that implementing those provisions would cost $3.2 billion over the 2017-2021 period.

New and Expanded Health Care Services. A number of provisions in Title II would expand access to the Family Caregivers program and enhance other services offered under VA's health care program. In total CBO estimates implementing those provisions would cost $2.9 billion over the 2017-2021 period.

The Family Caregivers program provides stipends, health insurance, respite care, training, and other forms of support to caregivers of eligible veterans who are enrolled in the program. Veterans are eligible if they require assistance in daily activities such as bathing, eating or grooming as a result of injuries incurred during military service on or after September 11, 2001. Section 231 would open that program, in two stages, to eligible veterans of any era, and would expand the benefits offered under the program to include legal and financial planning services. In total, CBO estimates that implementing this section would cost $2.9 billion over the 2017-2021 period.

Stage one of this provision would open eligibility for the Family Caregivers program to eligible veterans who were injured during service on or before May 7, 1975. That stage would begin within two years of the date of enactment (after VA develops and certifies a new information technology (IT) system to track benefits, as required under section 232). The second stage would begin two years after stage one, and would open the program to the remaining eligible veterans—those injured during service after May 7, 1975, and before September 11, 2001. For the purposes of this estimate, CBO assumes that S. 2921 will be enacted by October 2016, that stage one of the proposal will begin in October 2018, and that stage two will begin in October 2020.

TABLE 3. ESTIMATED EFFECTS OF S. 2921 ON SPENDING SUBJECT TO APPROPRIATION

	By Fiscal Year, in Millions of Dollars					
	2017	2018	2019	2020	2021	2017-2021
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Health Care						
New and Expanded Health Care Services						
Estimated Authorization Level	12	22	319	977	1,776	3,106
Estimated Outlays	11	21	287	903	1,681	2,903
Non-VA Health Care						
Estimated Authorization Level	11	53	72	80	79	295
Estimated Outlays	10	51	71	80	79	291
Research on Toxic Exposure						
Estimated Authorization Level	0	0	*	5	8	13
Estimated Outlays	0	0	*	5	8	13
Subtotal						
Estimated Authorization Level	23	75	391	1,062	1,863	3,414
Estimated Outlays	21	72	358	988	1,768	3,207
Personnel Policies						
Compensation						
Estimated Authorization Level	1	36	39	44	45	165
Estimated Outlays	1	32	38	43	45	159
Whistleblower Matters						
Estimated Authorization Level	3	3	3	3	3	16
Estimated Outlays	3	3	3	3	3	16
Education and Training						
Estimated Authorization Level	5	1	2	2	2	13
Estimated Outlays	*	4	3	3	2	13
Subtotal						
Estimated Authorization Level	9	40	44	49	50	193
Estimated Outlays	4	39	44	49	50	187

(Continued)

TABLE 3. CONTINUED

	By Fiscal Year, in Millions of Dollars					
	2017	2018	2019	2020	2021	2017-2021
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Other Veterans Benefits						
Homeless Veterans						
Estimated Authorization Level	4	6	6	7	7	30
Estimated Outlays	*	5	6	7	7	25
Disability Compensation						
Estimated Authorization Level	0	2	3	3	3	11
Estimated Outlays	0	2	3	3	3	11
Education Benefit Information						
Estimated Authorization Level	5	0	0	0	0	5
Estimated Outlays	4	1	0	0	0	5
Subtotal						
Estimated Authorization Level	9	8	9	10	10	46
Estimated Outlays	4	8	9	10	10	41
Surveys, Studies, and Reports						
Estimated Authorization Level	3	7	4	2	2	18
Estimated Outlays	3	7	4	2	2	18
Total Changes						
Estimated Authorization Level	44	130	448	1,123	1,925	3,671
Estimated Outlays	32	126	415	1,049	1,830	3,453

Note: Details may not add to totals because of rounding; VA = Department of Veterans Affairs; * = less than $500,000.

In 2015, costs for the Family Caregivers Program totaled $454 million, about $18,300 per participating veteran. Most of that cost resulted from stipends paid to caregivers. Stipends are paid monthly and are based on the hours of daily care the veteran requires and the prevailing wage for home health aides. In 2015, stipends paid under the program ranged from $7,700 to $29,000 on an annual basis, and averaged roughly $15,600. Caregivers also are eligible to participate in CHAMPVA, a program run by VA that provides health insurance for dependents and survivors of certain disabled veterans. In addition, the Family Caregiver Program provides up to 30 days a year of respite care, as well as training and other support services. In 2015, costs under the Family Caregivers Program for CHAMPVA and the remaining services averaged about $2,700 per veteran.

CBO's estimate of the cost of expanding the Caregivers program is based on the usage and average costs of the existing program, and the number of veterans with significant, service-connected disabilities in the cohorts that would be newly eligible. However, to account for the advanced age of the newly eligible veterans, our estimate reflects the following findings from a recent RAND study:[2]

- Disabled veterans rely more heavily on assistance for daily activities as they age,
- Older veterans tend to rely on older caregivers, and
- Health care costs for caregivers increase with age.

For stage one, CBO estimates that about 20,000 additional veterans would benefit from the program in 2019, growing to roughly 44,000 by 2021. CBO expects that the youngest members of this cohort will be in their late 60s. After factoring in a heavier reliance on caregiver assistance for activities of daily living and higher health care costs for caregivers because of advanced age we estimate that the average cost per participant would be about $30,000 in 2019. However, through the General Caregiver Program—which provides limited support services to caregivers of eligible veterans from all eras—VA already provides respite care to assist some caregivers. Accounting for those current benefits in our estimate reduces the average added cost per participant to $29,400. After accounting for gradual implementation and incorporating annual inflation, CBO estimates that stage one of this proposal would cost $2.5 billion over the 2019-2021 period.

In the second stage of expansion, we estimate that about 29,000 additional veterans would use the Family Caregivers program in 2021. Because veterans in this group would be younger than those under the initial expansion, we expect they would have less reliance on caregiver assistance (lower stipend amount) and the caregivers would be younger (lower CHAMPVA costs). On average, in 2021, we estimate the incremental cost per participant would be $28,000, after accounting for existing benefits under the General Caregiver Program. After factoring in a gradual implementation for the second stage of expansion and incorporating annual inflation, CBO estimates additional costs for the Family Caregivers Program of $373 million in 2021. Those costs would grow to be in the tens of billions of dollars over the 10-year window, CBO estimates.

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2. Ramchand, Rajeev, Terri Tanielian, Michael P. Fisher, Christine Anne Vaughan, Thomas E. Trail, Caroline Batka, Phoenix Voorhies, Michael Robbins, Eric Robinson and Bonnie Ghosh-Dastidar. *Hidden Heroes: America's Military Caregivers*. Santa Monica, CA: RAND Corporation, 2014.

In addition, under this section CBO estimates that roughly 34,000 caregivers in the current Family Caregivers Program (for veterans injured during service after September 11, 2001) would receive legal and financial support services. On the basis of the resources necessary to provide counseling under the existing program, we estimate an average annual cost of $130 per beneficiary for legal and financial services. CBO estimates it would cost $23 million over the 2017-2021 period to provide those benefits to individuals eligible for the Family Caregivers Program under current law. The costs of providing that additional benefit for individuals newly eligible for the Family Caregivers Program under this provision are included in the above estimates of adding those individuals to the program.

Furthermore, in anticipation of the surge of new applications upon expansion of the Family Caregivers Program, VA would need to hire and train additional staff to manage the program (caregiver support line, outreach activities, and monitoring). On the basis of the overhead costs to manage the existing program of $7 million in 2014 for 19,000 participants and incorporating annual inflation, CBO estimates staffing costs of $400 per participant. To handle roughly 20,000 new beneficiaries starting in 2018, CBO estimates additional overhead costs of $16 million in 2017 and 2018.

Other provisions in Title II also would expand the health care services provided by VA. CBO estimates that the following provisions would cost $34 million over the 2017-2021 period.

- Section 243 would revive for three years an expired pilot program to hire 45 veterans who recently separated from medical positions in the military. Those personnel would serve as intermediate-care technicians and would supplement other technicians at VA facilities.

- Section 202 would require VA to provide chiropractic care at 42 VA Medical Centers (VAMCs) by 2017 and at 76 VAMCs by 2018. VA currently has about 60 full-time chiropractors practicing at 59 VAMCs.

- Section 292 would require VA to establish a tracking system for biological implants (that is human cells, tissue, or cellular or tissue-based product) used in medical procedures at VA medical facilities.

Non-VA Health Care. Several provisions, primarily sections 245 and 272, would affect VA’s ability to pay health care providers in the private sector to provide services to veterans. In total, CBO estimates those provisions would cost $291 million over the 2017-2021 period.

Section 245 would authorize VA to place up to 900 veterans with severe service-connected disabilities in Medical Foster Homes (MFHs) and to pay the full cost of their stay in those establishments through September 20, 2019. A MFH is a private home in which a trained caregiver provides services to a few individuals. VA has an existing program under which it inspects and approves MFHs for veterans. Veterans currently living in such homes are eligible to receive VA's Home Based Primary Care services, which include case management and health care provided in the home. VA is not currently authorized to pay for the cost of living in MFHs, but under this section, VA could pay that cost. CBO expects that once veterans are placed in medical foster care under this new program, VA will pay for their stays in those facilities indefinitely.

CBO estimates that half of the veterans eligible for this program (about 450 individuals) would become residents of MFHs as a result of the bill's enactment. For those veterans, VA would pay for their living expenses, as well as the costs for Home Based Primary Care services. We estimate that those veterans would receive health care that would cost $9,000 per year more than they would receive under current law because providing care in the individual homes is costlier than providing health care at VA medical facilities. Including the costs for living expenses at the MFHs of $39,000 per year, we estimate total costs per new resident of $48,000 per year. As a result, total costs for new MFH residents would be about $22 million a year, CBO estimates.

CBO estimates that the remaining half of the eligible population (450 veterans) would be individuals already living in MFHs. Because VA already provides those veterans with in-home health care services, the incremental cost would be $39,000 a year per veteran to cover the expense of living in the MFHs. Those costs would total about $18 million a year for those 450 veterans, CBO estimates. After incorporating annual inflation, appropriate mortality rates, and a gradual implementation period to reflect the time for VA to transition additional veterans into the MFH program, CBO estimates that implementing section 245 would cost a total of $149 million over the 2017-2021 period, assuming appropriation of the necessary amounts.

Section 272 would allow VA to enter into agreements with health care providers in the private sector without complying with the Federal Acquisition Regulation (FAR) through the end of fiscal year 2017. The FAR is an extensive and complex set of rules governing the federal government's purchasing process. Because VA has already received appropriations for that purpose for 2017, CBO estimates that implementing that authority would not require additional appropriations for that year.[3]

3. Appropriations have already been enacted for the cost of providing fee-basis care under non-FAR agreements in 2017; therefore, no additional funding would be necessary to implement those agreements in that year if section 272 is enacted. Without the authority to enter into non-FAR agreements, CBO expects that VA's ability to spend funds for fee-basis care would be severely limited and future baseline projections will reflect reduced spending for fee-basis care. If the Congress subsequently proposes to extend the authority for VA to enter into non-FAR agreements to include 2018 or later years, and appropriations for any of those years have already been provided, the increased spending for non-FAR contracts would be considered to be direct spending outlays.

Section 272 also would permanently allow VA to enter into such non-FAR agreements for long-term care at certain private facilities. Under current law, VA has been unable to secure contracts with some long-term care facilities because of contractual requirements under the FAR (mostly related to reporting, compensation, and fringe benefits). According to VA, there are a total of 150 extended care facilities that have terminated their contracts with the agency for that reason and CBO expects that number to grow as current contracts end and VA tries to enter into new contracts that do comply with federal acquisition law. By waiving those requirements, CBO estimates that 345 additional long-term facilities would enter into agreements with VA by 2021. On the basis of information from VA, we estimate that, on average, veterans would occupy three beds at each of those facilities at a daily rate of $290 in 2017 (that rate would increase with inflation in subsequent years) and an average length of stay of 113 days.

Finally, section 272 would require VA to establish a system to monitor and assess the quality of care provided to veterans under those non-FAR agreements. In developing and maintaining such a system, CBO expects that VA would rely heavily on information gathered by the departments of health in each of the states. On the basis of information from VA, CBO estimates that this requirement would cost $3 million a year. After factoring in a gradual implementation period to prepare regulations and to place veterans in eligible facilities, CBO estimates that implementing section 272 would cost a total of $130 million over the 2017-2021 period.

Two other provisions in the bill are related to VA's use of non-VA health care providers. CBO estimates that the following provisions would cost $12 million over the 2017-2021 period.

- Section 271 would require VA to promptly process and reimburse non-VA health care providers within 30 days of receiving a claim and to pay interest to those providers for any additional delay. That section also would require VA to establish an electronic interface by January 1, 2019, for non-VA health care providers to submit claims.

- Section 263 would require VA to inform veterans about the negative effects on their credit score from overdue copayments to VA for emergency care provided at non-VA facilities. VA also would be required to operate a toll-free line for veterans to report such credit issues to VA.

Research on Toxic Exposure. Sections 282, 283, and 284 would authorize VA to conduct a research program on the intergenerational effects of exposure to toxic substances. In total, CBO estimates that implementing those provisions would cost $13 million over the 2017-2021 period.

Section 282 would require VA to enter into an agreement with the National Academy of Medicine or another nongovernmental entity to assess the feasibility of conducting a research study on the health conditions of descendants of veterans exposed to toxic substances while serving in the armed forces. The assessment would include the following:

- Literature review of toxicological and epidemiological research of descendants of individuals exposed to toxic material;

- Assessment of areas requiring further research on toxic exposure; and

- Scope and method necessary to conduct a sufficient research study.

Within two years of entering into the agreement with VA, the National Academy of Medicine (or another nongovernmental entity) would be required to submit a report to the Congress and VA on whether such a scientific study is feasible. Based on the results of that report, the Secretary of Veterans Affairs would be required to certify to the Congress VA's understanding as to whether such a study is feasible. On the basis of information from the Institute of Medicine regarding the costs to conduct similar assessments, CBO estimates that implementing section 282 would cost $1 million over the 2017-2021 period.

If the Secretary determines that a study on the intergenerational effects of exposure to toxins is feasible, section 283 would require the secretary to establish a board to advise the Secretary on that topic and section 284 would require the secretary to enter into an agreement with one or more research entities to conduct such a study. CBO cannot predict the outcome of the assessment and certification required under section 282; we therefore, assume a 50 percent probability that the Secretary would determine that a study of the effects of toxic exposure was feasible.

The board provisionally required to be established by section 283 would consist of 13 voting members who would serve without compensation. An executive director and support staff would receive compensation; CBO expects that the board would hire about nine people at a cost of about $130,000 per person. Thus, after factoring in a 50 percent probability that VA would find such a health assessment feasible, CBO estimates that staff and administrative costs for the advisory board would total $2 million over the 2019-2021 period.

The study required under section 284 would involve research into multiple medical conditions. On the basis of information from VA, CBO estimates that, on average, research would begin on three new issues each year, which would continue for multiple years, at an annual cost of $2 million per project. After factoring in the delayed implementation and the probability that VA would find such an assessment feasible, we estimate costs of $11 million over the 2020-2021 period.

Personnel Policies. Titles I and II contain provisions that would modify VA's administrative and personnel policies. In total, CBO estimates that implementing those provisions would cost $187 million over the 2017-2021 period.

Compensation. Sections 112, 222, and 221 would increase pay for certain VA employees. In total, CBO estimates that implementing those provisions would cost $159 million over the 2017-2021 period.

Section 112 would allow VA to offer competitive pay (based on compensation in the private market) to directors of regional and medical facilities directors at the department. VA employs about 130 directors at an average compensation amount of $220,000 in 2015. On average, compensation for medical directors in the private sector is about $320,000. As a result of the increase in salary, CBO estimates that VA would be able to fully staff the 140 Medical Director positions by 2021. After factoring in the one-year delay and additional hiring, CBO estimates that implementing this provision would cost $90 million over the 2018-2021 period.

Section 222 would require VA to compensate Physician Assistants (PAs) at rates that are competitive with those paid by health care providers in the private sector. Currently, VA employs about 1,850 physician assistants. On the basis of wages paid by private-sector providers, we estimate that the pay rate for those employees would increase by about 6 percent in 2018 (from $112,000 to $120,000) if VA paid competitive rates.

In addition, we expect that the higher pay level would help ameliorate VA's current difficulties in recruiting and retaining physicians' assistants, and would thus increase the total number of PAs employed by VA. On the basis of data from VA on hiring and retaining nurses, who are paid at competitive rates, CBO estimates that under section 222 VA would employ roughly 2,000 physicians' assistants by 2021 (or an 8 percent increase above the current staffing level). On that basis, CBO estimates that implementing this section would cost $64 million over the 2018-2021 period.

Section 221 would allow VA to offer flexible work hours (above or below 80 hours on a biweekly basis) to physicians or physician assistants who work for VA on a full-time basis, provided the total work hours in a calendar year did not exceed 2,080. VA reports that the department does not compensate physicians for overtime; however, it does offer overtime pay to PAs at a premium rate of 25 percent of the employee's basic hourly rate.

VA employs roughly 1,800 PAs on a full-time basis. Using the average weekly hours for PAs in the private sector (where overtime pay is offered) of 40.63 hours, we estimate that PAs will work an average of 33 hours over the calendar year at the overtime pay rate (about $14 above their basic hourly rate of $55, which includes the pay increase under section 222). After factoring in the time to prepare regulations, we estimate that implementing the section would cost $5 million over the 2017-2021 period.

Whistleblower Matters. Sections 101 and 102 would modify administrative and personnel procedures at VA dealing with accountability and whistleblower complaints. CBO estimates that implementing those provisions would cost $16 million over the 2017-2021 period.

Section 101 would establish an office within VA that would be led by the Assistant Secretary for Accountability and Whistleblower Protection. The office would advise the Secretary of VA on all matters related to accountability and would have a number of responsibilities, including:

- Operating a hotline and internet portal to receive disclosures from whistleblowers,
- Referring such disclosures to the Office of Special Counsel and VA's Office of the Inspector General,
- Analyzing data and trends about the types of disclosures VA receives, and
- Investigating potential misconduct by senior executive service (SES) employees or presidential appointees.

Based on an analysis of information from VA, CBO estimates that implementing this provision would require 12 additional employees at pay levels ranging from GS-5 to an SES-level appointee. After incorporating annual inflation and the costs to support a new office, CBO estimates that implementing section 101 would cost $6 million over the 2017-2021 period.

Section 102 would require VA to provide bi-annual training to all employees of VA regarding the filing of whistleblower complaints and the rights and protections in place for all employees who do so. Because of the large size of VA's workforce (about 350,000 employees) and the need to have the Office of Special Counsel certify the training, CBO estimates that implementing section 102 would cost about $10 million over the 2017-2021 period.

Education and Training. Sections 213, 242, and 119 would enhance the training provided to mental health professionals and managers employed by VA and establish programs of education in prosthetics and orthotics. In total, CBO estimates that implementing those provisions would cost $13 million over the 2017-2021 period.

Section 213 would require VA to provide education and training to licensed mental health professionals and marriage counselors employed by the agency. VA regularly provides training and education to health care personnel (primarily physicians, dentists, and nurse practitioners).

VA currently employs about 300 licensed mental health professionals and marriage counselors. Some VA medical facilities currently offer, or plan to offer, annual training opportunities to those employees. Based on information from VA, we estimate that under this provision about 70 percent of its licensed mental health professionals and marriage counselors—about 200 employees in 2016—would need to be trained at an annual cost of $7,500 per person. On that basis, and adjusting for inflation and gradual implementation, CBO estimates implementing this section would cost $7 million over the 2017-2021 period.

Section 242 would authorize the appropriation of $5 million in 2017 to establish programs of education leading to advanced degrees in prosthetics and orthotics. Under this section, CBO expects that VA would work with medical schools to help expand higher education programs in those areas. CBO estimates that implementing section 242 would cost $5 million over the 2017-2020 period.

Section 119 would require VA to provide training to managers in several areas. Such training would cover: ensuring rights of whistleblowers, effectively managing and motivating employees, and managing employees who are performing at an unacceptable level. According to VA, while managers are currently required to undergo training similar to that required by section 119, the agency would need to add new and updated content to meet all the requirements of the bill. On the basis of VA's current practices, CBO expects that VA would enter into a contract with a private entity to implement those changes at a cost of $1 million over the 2017-2021 period.

Other Veterans Benefits. A number of provisions would expand and modify the administration of other benefits for veterans, such as assistance for homeless veterans, disability compensation, and education assistance. In total, CBO estimates that implementing those provisions would cost $41 million over the 2017-2021 period.

Homeless Veterans. Several provisions would authorize VA to expand benefits provided to homeless veterans, such as, employment assistance, case management, and legal services.

In total, CBO estimates implementing those authorities would cost $25 million over the 2017-2021 period.

- Section 603 would expand the eligibility for the Homeless Veterans Reintegration Program. That program provides grants to agencies and organizations that provide job placement, training, and vocational counseling to homeless veterans.

- Section 608 would allow VA to collaborate with public and private entities to provide legal assistance (in areas such as housing, family law, and criminal defense) to veterans at risk of homelessness.

- Section 605 would require VA to conduct a pilot program to assess the feasibility of using intensive case management practices for certain homeless veterans who are enrolled in the VA health care system. The pilot program would operate in at least six locations in the VA health care system and would include no fewer than 20 veterans at each location.

Disability Compensation. Sections 305 and 701 would modify administrative procedures to expedite the process of providing disability compensation to veterans. CBO estimates that implementing those provisions would cost $11 million over the 2017-2021 period.

Section 305 would establish a pilot program within the Board of Veterans Appeals (BVA) for veterans who wish to file a fully developed appeal (an appeal for which no further evidence or information will be submitted). Appellants would have the option of filing a claim using the regular appeals process, or if they believe they have provided all of the necessary information for the BVA to make a decision, filing under the pilot program in order to receive a more immediate decision. Under the pilot program, BVA would establish a development unit that would provide the Board with any federal records, independent medical opinions, and new medical exams that it needs to decide appeals. VA would be required to transfer certain employees from the Veterans Benefits Administration to this new unit inside the BVA. According to VA, about 10 additional employees also would be necessary to achieve the goals of the pilot program while not reducing the timeliness of the current process. VA further reports that such employees (primarily lawyers) would receive salary and benefits amounting to about $150,000 in 2017. On that basis, and incorporating annual inflation, CBO estimates that implementing the pilot program would cost $8 million over the 2017-2021 period.

Section 701 would extend, through January 1, 2021, the authority for the Court of Appeals for Veterans Claims (CAVC) to appoint a new judge to the court should a position become vacant. Previous legislation allowed for the court to expand from seven judges to nine in order to address the workload of the court. The authority to appoint a new judge to maintain nine judges expired on January 1, 2013. According to the CAVC, the cost of a judge and his or her chamber is about $1 million per year. CBO expects that one judge will leave or retire over the next several years; thus, under section 701 one new judge would be appointed at an estimated cost of $3 million over the 2017-2021 period.

Education Benefit Information. Section 422 would require VA to allow institutions of higher learning to obtain information on the educational assistance to which a veteran is entitled via a secure IT system. CBO expects that VA could accomplish that requirement by modifying systems that are currently used to provide other information to such institutions. Based on information from VA, CBO estimates that modifying those systems would cost $5 million over the 2017-2021 period.

Surveys, Studies, and Reports. The bill would require VA and the Government Accountability Office (GAO) to conduct a number of studies and would establish a commission to conduct a nationwide survey of veterans. Based on the costs of similar activities, CBO estimates that meeting those requirements would cost a total of $18 million over the 2017-2021 period.

- Section 133 would establish an office and program of internal audits—independent of other offices within VA—to do periodic risk assessments and analysis of various organizations and staff offices within the department. Based on information from VA, CBO expects that VA would hire 10 additional support staff and a director (with an average compensation level of $200,000 per staff member) to carry out the internal audits. After factoring in the time to hire the new staff, we estimate that implementing this provision would cost $7 million over the 2017-2021 period.

- Section 211 would establish the Veterans Expedited Recovery Commission. The commission—consisting of 10 voting members—would examine the treatment of mental health conditions at VA. Members of the commission would serve without pay; however, they would receive travel reimbursement and per diem. The commission would be authorized to hire a full time staff and also to hire contractors and experts to provide additional guidance and recommendations. The commission would be required to conduct a nationwide survey and to submit a final report of its findings within a year and a half from its first meeting. Based on an examination of other government commissions, and on the costs of similar surveys, CBO estimates that establishing the commission would cost $4 million over the 2017-2021 period.

- Four provisions (sections 254, 265, 307, and 609) would require the Comptroller General to conduct reviews of VA programs and operations. On the basis of the costs for similar GAO studies, we estimate that completing those reports would cost $3 million over the 2017-2021 period.

- Section 115 would require VA to enter into a contract with a nongovernment entity to complete an assessment of the management training of VA's SES employees and the performance appraisal system for those employees. Based on the requirements of the review and assessment, CBO estimates that implementing section 115 would cost about $1 million over the 2017-2021 period.

- Section 120 would require VA to complete a review and assessment within two years of the effect of changes made by this bill to performance appraisals and management training on the morale and effectiveness of SES employees of the department. Based on requirements of the review and assessment, CBO estimates that implementing section 120 would cost about $1 million over the 2017-2021 period.

- Section 804 would require VA to complete a study and submit a report to the Congress on issues and procedures related to burying unclaimed remains of veterans in national cemeteries under the control of the National Cemetery Administration. As part of the study, VA would need to contact funeral homes and coroner offices around the nation to estimate the number of such remains; assess state and local laws that affect VA's ability to take custody of such remains; and, develop recommendations for legislative and administrative actions needed to enable VA to inter all such remains in national cemeteries. Based on information from VA, CBO estimates that implementing section 804 would cost $1 million over the 2017-2021 period.

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 S. 2921 as reported by the Senate Committee on Veterans' Affairs on May 16, 2016

	By Fiscal Year, in Millions of Dollars												
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2016-2021	2016-2026
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	1,773	-1,675	-235	-332	-357	-376	-396	-417	-937	-959	-828	-3,915

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 2921 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2921 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PREVIOUS COST ESTIMATES

Many of the provisions in S. 2921 are similar to provisions in other bills of this Congress for which CBO has previously published estimates. Estimates for this bill may differ from those previous estimates because of differences in the legislative language, differing effective dates, new or updated information from VA, or because other legislation has been enacted in the interim that changed costs under current law. Those previous estimates are listed below:

On June 3, 2015, CBO transmitted a cost estimate for S. 1376, the National Defense Authorization Act for Fiscal Year 2016, as ordered reported by the Senate Committee on Armed Services on May 19, 2015.

On June 23, 2015, CBO transmitted a cost estimate for H.R. 2256, the Veterans Information Modernization Act, as ordered reported by the House Committee on Veterans' Affairs on May 21, 2015.

On August 26, 2015, CBO transmitted an estimate for H.R. 475, the GI Bill Processing Improvement and Quality Enhancement Act of 2015, as ordered reported by the House Committee on Veterans' Affairs on May 21, 2015.

On October 1, 2015, CBO transmitted a cost estimate for S. 1203, the 21st Century Veterans Benefits Delivery and Other Improvements Act, as ordered reported by the Senate Committee on Veterans' Affairs on July 22, 2015.

On October 22, 2015, CBO transmitted a cost estimate for H.R. 1338, the Dignified Interment of Our Veterans Act of 2015, as ordered reported by the House Committee on Veterans' Affairs on September 17, 2015.

On November 19, 2015, CBO transmitted a cost estimate for H.R. 3016, the Veterans Employment, Education, and Healthcare Improvement Act, as ordered reported by the House Committee on Veterans' Affairs on September 17, 2015.

On January 22, 2016, CBO transmitted a cost estimate for H.R. 677, the American Heroes COLA Act of 2015, as ordered reported by the House Committee on Veterans' Affairs on September 17, 2015.

On May 4, 2016, CBO transmitted a cost estimate for H.R. 4063, the Promoting Responsible Opioid Management and Incorporating Scientific Expertise Act, as ordered reported by the House Committee on Veterans' Affairs on February 25, 2016.

On May 17, 2016, CBO transmitted an estimate for H.R. 1769, the Toxic Exposure Research Act of 2016, as ordered reported by the House Committee on Veterans' Affairs on February 25, 2016.

On May 17, 2016, CBO transmitted a cost estimate for H.R. 3484, the Los Angeles Homeless Veterans Leasing Act of 2016, as ordered reported by the House Committee on Veterans' Affairs on February 25, 2016.

On May 20, 2016, CBO transmitted a cost estimate for H.R. 5286, the VA Construction and Lease Authorization, Health, and Benefits Enhancement Act, as introduced on May 9, 2016.

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