

H.R. 2398, a bill to amend the United States Housing Act of 1937 and title 38, United States Code, to expand eligibility for the HUD-VASH program, to direct the Secretary of Veterans Affairs to submit annual reports to the Committees on Veterans' Affairs of the Senate and House of Representatives regarding homeless veterans, and for other purposes
 As ordered reported by the House Committee on Financial Services on November 14, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	4	68	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 2398 would increase the number of veterans who are eligible for the Housing and Urban Development-Department of Veterans Affairs Supportive Housing (HUD-VASH) program. HUD-VASH is jointly operated by both departments to provide rental assistance to homeless veterans and their families. The Department of Veterans Affairs (VA) coordinates health care, counseling, and other services for veterans who receive rental assistance under the program.

Under the bill, individuals who are discharged from the military for bad conduct or conduct that is other than honorable would be newly eligible for rental assistance vouchers through HUD-VASH. That program provided roughly 81,500 vouchers at an average annual cost of \$11,000 in 2019. Using information from the Department of Defense on discharged service members and other data on homeless veterans, CBO estimates that about 1,800 veterans would be newly eligible for those vouchers. On the basis of data from HUD, CBO estimates that 70 percent of homeless veterans who are eligible for the program under current law received the rental assistance. After applying that factor to the newly eligible veterans, CBO estimates that about 1,300 veterans would eventually receive benefits if the bill was enacted.



After accounting for a gradual increase in participation, CBO estimates that HUD would provide a total of 3,900 annual vouchers to newly eligible veterans over the five-year period at an average cost of \$11,700 per voucher. As a result, CBO estimates that providing vouchers to those additional participants would cost \$46 million over the 2020-2024 period.

Using information from VA regarding the current number of HUD-VASH case managers, CBO estimates that the department would need five additional case managers in 2020 to serve the new beneficiaries, and would need 65 case managers by 2024. On the basis of the average annual compensation for those positions (\$102,000) and accounting for inflation, CBO estimates that the personnel costs would be \$22 million over the 2020-2024 period.

In total, CBO estimates that implementing H.R. 2398 would cost \$68 million over the 2020-2024 period; such spending would be subject to the availability of appropriated funds (see Table 1).

Table 1.
Estimated Increases in Spending Subject to Appropriation Under H.R. 2398

	By Fiscal Year, Millions of Dollars					2020-2024
	2020	2021	2022	2023	2024	
Estimated Authorization	4	9	13	18	24	68
Estimated Outlays	4	9	13	18	24	68

On May 29, 2019, CBO transmitted a [cost estimate for H.R. 2398](#), a bill to amend the United States Housing Act of 1937 and title 38, United States Code, to expand eligibility for the HUD-VASH program, to direct the Secretary of Veterans Affairs to submit annual reports to the Committees on Veterans' Affairs of the Senate and House of Representatives regarding homeless veterans, and for other purposes. The two bills are similar and CBO's estimates of their budgetary effects are the same.

The CBO staff contact for this estimate is Ann E. Futrell. The estimate was reviewed by Leo Lex, Deputy Assistant Director for Budget Analysis.