

At a Glance

S. 876, Energy Jobs for our Heroes Act of 2019

As reported by the Senate Committee on Energy and Natural Resources on December 17, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	*	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	28	not estimated

Statutory pay-as-you-go procedures apply?	Yes	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

* = between zero and \$500,000.

The bill would

- Require the Department of Energy (DOE) to establish a joint program with the Department of Defense to help recently discharged military veterans prepare for careers in the energy industry
- Require DOE to report to the Congress on the proposed program

Estimated budgetary effects would primarily stem from

- Authorizing spending associated with program administration and credentialing support
- Modifying participation in certain education benefits programs administered by the Department of Veterans Affairs

Areas of significant uncertainty include

- Estimating the number of veterans who would enroll in the program

Detailed estimate begins on the next page.



Bill Summary

S. 876 would require the Department of Energy (DOE) to establish the Energy Ready Vets Program to prepare recently discharged military veterans for careers in the energy industry. The program would be administered by DOE and the Department of Defense (DoD) as part of DoD's SkillBridge program. Participants in the Energy Ready Vets Program would receive job training, employment skills training, and opportunities for internships, and they would be required to earn an industry-recognized certificate or other credential. DOE would be required to report annually to the Congress on the program.

Estimated Federal Cost

The estimated budgetary effect of S. 876 is shown in Table 1. The costs of the legislation fall within budget functions 050 (national defense), 270 (energy), and 700 (veterans benefits and services).

Table 2.
Estimated Increases in Spending Subject to Appropriation Under S. 876

	By Fiscal Year, Millions of Dollars						2020-2025
	2020	2021	2022	2023	2024	2025	
DoD Administrative Costs							
Estimated Authorization	*	3	3	3	3	3	15
Estimated Outlays	*	2	3	3	3	3	14
DOE Administrative Costs							
Estimated Authorization	*	2	1	1	1	1	6
Estimated Outlays	*	2	1	1	1	1	6
Certification and Testing							
Estimated Authorization	*	1	1	2	2	2	8
Estimated Outlays	*	1	1	2	2	2	8
Total Changes							
Estimated Authorization	*	6	5	6	6	6	29
Estimated Outlays	*	5	5	6	6	6	28

DoD = Department of Defense; DOE = Department of Energy; * = between zero and \$500,000.

CBO estimates that enacting S. 876 would increase direct spending by less than \$500,000 over the 2020-2030 period.

Basis of Estimate

For this estimate, CBO assumes that S. 876 will be enacted in fiscal year 2020. Under that assumption, the affected departments could incur some costs in 2020, but CBO expects that most of the costs would be incurred in 2021 and later. We expect that outlays would follow historical spending patterns for similar programs.



Spending Subject to Appropriation

CBO estimates that implementing S. 876 would cost \$28 million over the 2020-2025 period, assuming appropriation of the estimated amounts. Using information from DoD and DOE, CBO estimates that administrative costs for DoD, including program operation and facility costs, would total about \$3 million annually and that operation costs for DOE, including those associated with reporting, would total about \$1 million annually, although costs in the first full year would be higher. In addition, CBO estimates the cost of credentialing, certification, and testing would be about \$8 million over the 2020-2025 period. That estimate is based on the expectation that the Energy Ready Vets Program initially would increase SkillBridge enrollment by about 500 people, with that number gradually rising to 1,000 people by 2025.

Uncertainty

The cost of S. 876 would depend on enrollment in the Energy Ready Vets Program. Because CBO cannot predict enrollment precisely, the bill's budgetary effects could be larger or smaller than CBO estimates.

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 and revenues. The Department of Veterans Affairs (VA) provides monthly stipends through several education benefit programs to eligible veterans pursuing approved apprenticeships or other on-the-job training. Those benefits are paid from mandatory appropriations. CBO expects that enacting S. 876 would increase participation among eligible veterans in approved training. Direct spending would increase for veterans who use benefits that they would not have otherwise used under current law. However, apprenticeships and on-the-job training are among the least expensive uses of VA education benefits; thus, direct spending would probably decrease for veterans who enroll in the proposed program and who otherwise would have their benefits in some other way.

While the Energy Ready Vets Program would establish an additional avenue for use of education benefits, CBO expects a relatively small number of people would enroll; thus, CBO estimates that enacting S. 876 would, on net, increase direct spending by an insignificant amount over the 2020-2030 period.



Increase in Long-Term Deficits: None.

Mandates: None.

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