**Congressional Budget Office**
Cost Estimate

February 23, 2022

## At a Glance

### H.R. 612, the Downwinders Parity Act of 2021

**As reported by the House Committee on the Judiciary on December 20, 2021**

| By Fiscal Year, Millions of Dollars | 2022 | 2022-2026 | 2022-2031 |
|---|---|---|---|
| Direct Spending (Outlays) | 5 | 50 | 50 |
| Revenues | 0 | 0 | 0 |
| Increase or Decrease (-) in the Deficit | 5 | 50 | 50 |
| Spending Subject to Appropriation (Outlays) | 0 | 0 | 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 2032? | No | Contains intergovernmental mandate? | No |
| | | Contains private-sector mandate? | No |

**The bill would**
- Expand eligibility for compensation under the Radiation Exposure Compensation program to people who lived in parts of Clark County, Nevada, or Mohave County, Arizona, between 1951 and 1958 or during 1962

**Estimated budgetary effects would mainly stem from**
- Paying $50,000 in compensation to approved applicants

**Areas of significant uncertainty include**
- Anticipating the number of newly eligible people who would apply before the application deadline in July 2022

**Detailed estimate begins on the next page.**

## Bill Summary

H.R. 612 would expand eligibility for compensation under the Radiation Exposure Compensation Act (RECA) to people who lived in parts of Clark County, Nevada, and Mohave County, Arizona, between 1951 and 1958 or during 1962.

## Estimated Federal Cost

The estimated budgetary effect of H.R. 612 is shown in Table 1. The costs of the legislation fall within budget function 050 (national defense).

**Table 1.**
**Estimated Budgetary Effects of H.R. 612**

| | By Fiscal Year, Millions of Dollars | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2022-2026 | 2022-2031 |
| | **Increases in Direct Spending** | | | | | | | | | | | |
| Estimated Budget Authority | 50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 50 | 50 |
| Estimated Outlays | 5 | 35 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 50 | 50 |

## Basis of Estimate

For this estimate, CBO assumes that H.R. 612 will be enacted by April 1, 2022.

### Direct Spending

The Radiation Exposure Compensation Act (RECA) provides a one-time cash payment to people who contracted cancer or other specified diseases after being exposed to radiation from atomic weapons tests or from uranium production. The RECA program expires after July 10, 2022: No new claims will be accepted after that date.

Nearby residents who may have been exposed to fallout from tests at the Nevada Test Site—known as “downwinders”—are eligible for a one-time payment of $50,000. (If a downwinder is deceased, eligible relatives can apply for and receive the payment.) To qualify for compensation, downwinders must demonstrate that they lived within the affected area covering parts of Arizona, Nevada, and Utah during atomic tests between 1951 and 1958 or in 1962. Under current law, that area includes part of Clark County, Nevada, and part of Mohave County, Arizona. H.R. 612 would expand the affected area to include the rest of Clark County, Nevada, and Mohave County, Arizona.

Using population and migration data from the Census Bureau and birth and death data from the Centers for Disease Control and Prevention, CBO estimates that about 260,000 people lived in the affected area as it is currently defined during the relevant period. Using data from the Department of Justice, CBO expects that roughly 30,000 people who lived in the affected area—or 11 percent of the total population—have or will apply for benefits before the program expires. About 85 percent of filed claims have been approved; thus, CBO estimates that more than 25,000 claims will be paid to downwinders or their survivors under current law.

CBO estimates that about 130,000 people lived in the parts of Clark and Mohave Counties that would be added to the affected area during the covered periods under H.R. 612. If they apply and are approved at the same rates as the currently eligible population, CBO estimates that about 12,500 claims would be paid to those Clark and Mohave downwinders. Making payments of $50,000 to each of those people would increase direct spending by about $625 million.

However, because the RECA program expires soon, CBO expects that few of the newly eligible downwinders would become aware of their new eligibility and be able to apply in time. In the first year of the RECA program, 9 percent of eligible downwinders filed a claim. Because they are concentrated in a few towns and communities, the downwinders who would be made eligible by H.R. 612 are likely more aware of the issue and of potential legislation than were the downwinders who became eligible when the RECA program began in 2000. Thus, CBO anticipates that proportionately more claims would occur in the months following enactment. For this estimate, CBO assumes that between enactment of H.R. 612 and the program's expiration in July, newly eligible Clark and Mohave downwinders would file about 9 percent of the claims they would ever file absent an expiration date. Thus, CBO estimates that enacting H.R. 612 would result in 1,000 claims being paid to newly eligible Clark and Mohave downwinders, increasing direct spending by $50 million.

If H.R. 612 is enacted after the RECA program expires in July 2022, it would not affect the federal budget.

**Uncertainty**

This estimate is subject to two main sources of uncertainty. First, the estimate assumes that newly eligible downwinders under H.R. 612 would behave the same as the downwinders who have been eligible for benefits since 2000. However, newly eligible downwinders could differ for several reasons. If this issue is more salient in those communities, the newly eligible downwinders might apply at higher rates, resulting in higher direct spending than estimated. In contrast, because a smaller share of the downwinders made eligible under H.R. 612 are still alive compared to the original downwinders who became eligible 22 years ago, the qualifying next of kin of deceased Clark and Mohave downwinders might be less aware of the benefits for which they are eligible. Consequently, direct spending might be lower than estimated.

Second, application rates during that short time between enactment of the bill and expiration of the RECA program could be higher or lower than CBO estimates, resulting in larger or smaller increases in direct spending.

## 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 Table 1.

**Increase in Long-Term Deficits:** None.

**Mandates:** None.

## Estimate Prepared By

Federal Costs: David Rafferty

Mandates: Fiona Forrester

## Estimate Reviewed By

David Newman
Chief, Defense, International Affairs, and Veterans' Affairs Cost Estimates Unit

Leo Lex
Deputy Director of Budget Analysis

Theresa Gullo
Director of Budget Analysis