

**H.R. 5606, Return Home to Housing Act**

As ordered reported by the House Committee on Veterans' Affairs on July 19, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2027	2022-2032
Direct Spending (Outlays)	0	216	574
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	216	574
Spending Subject to Appropriation (Outlays)	0	592	1,168
Statutory pay-as-you-go procedures apply?	Yes	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2033?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The Department of Veterans Affairs (VA) pays a daily rate through its Grant and Per Diem Program to entities that provide housing and other supportive services to homeless veterans. H.R. 5606 would increase the maximum amount of those payments.

Under current law, the rate for per diem grants to community organizations for housing and supportive services is about \$76; the rate paid to grant recipients for transitional housing is \$59 per veteran. Using information from VA, CBO estimates that those amounts would increase by 33 percent and 74 percent, respectively. In 2023, VA expects to allocate about \$190 million for per diem grants and about \$50 million for grants for transitional housing. Using those funding levels, CBO estimates that increasing the rates would increase total program costs by an average of \$178 million annually and total \$1,742 million over the 2023-2032 period.

Some of the beneficiaries of the changes to per diem grants in H.R. 5606 would be veterans who have been exposed to environmental hazards, and CBO expects that some of the costs of implementing the bill would be paid from the new Toxic Exposure Fund (TEF) established by Public Law 117-168, the Honoring our PACT Act. The TEF is a mandatory appropriation that VA will use to pay for health care, disability claims processing, medical research, and IT modernization that benefit veterans who were exposed to environmental hazards.

Additional spending from the TEF would occur if legislation increases the costs of similar activities that benefit veterans with such exposure. CBO estimates that 21 percent of such

additional costs would be paid from the fund in 2023, growing to 42 percent in 2032 as costs for those activities increase over time. Those percentages are based on the amount of formerly discretionary appropriations that CBO estimated will be provided through the new mandatory appropriation as specified in the Honoring our PACT Act. CBO estimates that over the 2022-2032 period, implementing the bill would increase spending subject to appropriation by \$1,168 million and direct spending by \$574 million.

The costs of the legislation, detailed in Table 1, fall within budget function 700 (veterans benefits and services).

<b>Table 1. Estimated Budgetary Effects of H.R. 5606</b>													
<b>By Fiscal Year, Millions of Dollars</b>												2022-2027	2022-2032
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
<b>Increases in Spending Subject to Appropriation</b>													
Estimated Authorization	0	125	125	124	122	121	119	118	117	115	114	617	1,200
Estimated Outlays	0	110	122	121	120	119	118	116	115	114	113	592	1,168
<b>Increases in Direct Spending</b>													
Estimated Budget Authority	0	33	39	44	50	55	61	66	72	78	84	221	582
Estimated Outlays	0	30	38	44	49	55	60	66	72	77	83	216	574

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.

On March 22, 2022, CBO transmitted a [cost estimate for S. 2172](#), the Building Solutions for Veterans Experiencing Homelessness Act of 2021, as ordered reported by the Senate Committee on Veterans' Affairs on July 28, 2021. Section 3 of S. 2172 is identical to H.R. 5606. The differences in the estimated amounts are the result of using updated program data from VA. The estimate for S. 2172 was transmitted before enactment of P.L. 117-168; thus, that earlier estimate did not account for effects on direct spending that arise from the establishment of the Toxic Exposure Fund.

The CBO staff contact for this estimate is Paul B.A. Holland. The estimate was reviewed by Leo Lex, Deputy Director of Budget Analysis.