



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 23, 2013

S. 287

Helping Homeless Veterans Act of 2013

*As ordered reported by the Senate Committee on Veterans' Affairs
on July 24, 2013*

SUMMARY

S. 287 would reauthorize and expand several programs for homeless veterans that are administered by the Department of Veterans Affairs (VA). CBO estimates that implementing the bill would cost \$842 million over the 2014-2018 period, assuming appropriation of the specified and estimated amounts.

In addition, CBO estimates that enacting the bill would decrease net direct spending by \$294 million over the 2014-2023 period; therefore, pay-as-you-go procedures apply to the bill. Enacting S. 287 would not affect revenues.

S. 287 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 287 is summarized in Table 1. The costs of this legislation fall within budget function 700 (veterans benefits and services).

BASIS OF ESTIMATE

For this estimate, CBO assumes the legislation will be enacted early in fiscal year 2014, that the necessary amounts will be appropriated for each year, and that outlays will follow historical spending patterns for similar and existing programs.

TABLE 1. ESTIMATED BUDGETARY EFFECTS OF S. 287, THE HELPING HOMELESS VETERANS ACT OF 2013

	By Fiscal Year, in Millions of Dollars					2014-2018
	2014	2015	2016	2017	2018	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	598	82	54	56	58	850
Estimated Outlays	493	156	75	58	58	842
CHANGES IN DIRECT SPENDING^a						
Estimated Authorization Level	0	0	0	-198	-96	-294
Estimated Outlays	0	0	0	-198	-96	-294

a. Enacting S. 287 would not affect direct spending beyond 2018.

Spending Subject to Appropriation

CBO estimates that implementing S. 287 would have a discretionary cost of \$842 million over the 2014-2018 period, assuming appropriation of the specified and estimated amounts (see Table 2). Most of those costs stem from extending certain authorities for programs to assist homeless veterans.

Extension of Certain Programs for Homeless Veterans. Section 12 would extend and modify certain programs administered by VA to assist homeless veterans. CBO estimates that implementing this section would cost \$599 million over the 2014-2018 period, assuming appropriation of the specified and estimated amounts.

Specified Authorizations. Section 12 would authorize the appropriation of \$457 million for fiscal year 2014 by extending for one year the expired or expiring authorities for the following programs, or by increasing their existing authorization levels:

- Comprehensive Service Programs,
- Homeless Veterans Reintegration Programs,
- Financial assistance for supportive services for very low-income veteran families in permanent housing,
- Grant program for homeless veterans with special needs, and
- Technical assistance grants for nonprofit community-based groups.

TABLE 2. ESTIMATED CHANGES IN SPENDING SUBJECT TO APPROPRIATION UNDER S. 287

	By Fiscal Year, in Millions of Dollars					2014- 2018
	2014	2015	2016	2017	2018	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Extension of Certain Programs for Homeless Veterans						
Estimated Authorization Level	564	37	0	0	0	601
Estimated Outlays	463	112	22	2	0	599
Referral and Counseling Services						
Estimated Authorization Level	34	34	35	36	37	176
Estimated Outlays	30	34	35	36	37	172
Dental Care						
Estimated Authorization Level	*	11	18	19	20	68
Estimated Outlays	*	10	17	19	20	66
Legal Services for Homeless Veterans						
Estimated Authorization Level	*	*	1	1	1	3
Estimated Outlays	*	*	1	1	1	3
Definition of Homeless Veteran						
Estimated Authorization Level	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	1
Assessment of Homeless Service Programs						
Estimated Authorization Level	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	1
Total Changes						
Estimated Authorization Level	598	82	54	56	58	850
Estimated Outlays	493	156	75	58	58	842

Notes: Details may not add to totals because of rounding.

* = less than \$500,000.

CBO estimates that extending those authorities will cost \$455 million over the 2014-2018 period.

Other extended authorities. Section 12 would extend, for one year, the authority for VA to provide outreach services, medical and psychiatric examinations, and community-based residential treatment to veterans suffering from chronic mental conditions or homelessness. It also would authorize the Advisory Committee for Homeless Veterans to

continue to operate through the end of calendar year 2014. The authority to provide those services is scheduled to expire on December 31, 2013. Based on spending levels for programs providing similar services, CBO estimates that extending those provisions would cost \$144 million over the 2014-2018 period.

Referral and Counseling Services. Section 10 would make permanent the authority for VA to provide referral and counseling services for incarcerated veterans who are at-risk of homelessness. The Veterans Justice Program (VJP), which is scheduled to expire on September 30, 2013, offers outreach, referrals to VA services, and short-term case management. Based on information from VA on their anticipated costs for the VJP program if it were extended—\$30 million for 2014—and adjusting for inflation, CBO estimates that implementing this provision would cost \$172 million over the 2014-2018 period.

Dental Care. Section 7 would expand the eligibility for one-time dental care to certain veterans. Under current law, veterans who receive short-term housing assistance may receive dental care to alleviate pain, as part of treatment for a more severe periodontal disease, or to aid in getting a job.

This section would provide that same out-patient dental care to certain veterans receiving longer-term housing assistance through the Department of Housing and Urban Development-VA Supportive Housing (HUD-VASH) program and transitional housing through a non-VA entity. Based on information from VA, CBO estimates about 6,000 HUD-VASH participants and veterans in transitional housing would take advantage of this benefit in 2014, growing to nearly 9,000 by 2018. At an average cost of about \$2,000 per veteran in 2014, and adjusting for medical inflation and a one-year delayed implementation, CBO estimates that providing the dental care to additional homeless veterans would cost \$66 million over the 2014-2018 period.

Legal Services for Homeless Veterans. Section 8 would allow the 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. Based on existing participation in the Supportive Service Low Income Vets and Families program, CBO estimates that roughly 15,000 veterans would take advantage of the proposed legal assistance. Based on the stipends provided to the health professional trainees (which includes fellows, residents and students) rotating through VA, CBO determines that VA would award stipends of \$20,000 (adjusted by inflation, annually) to about 50 legal fellows to provide services to veterans. Because of the time necessary to write regulations and to develop partnerships, CBO expects that this program would not be fully implemented for several years. As a result, CBO estimates that implementing section 8 would cost \$3 million over the 2014-2018 period.

Definition of Homeless Veteran. Section 2 would expand the definition of a homeless veteran to include veterans who are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other life threatening conditions. This expansion would make veterans who are victims of such conditions eligible for services provided to homeless veterans by VA. CBO anticipates this expansion in benefits would primarily affect female veterans.

According to the Bureau of Justice Statistics (BJS), 80 percent of the victims of domestic abuse between 1994 and 2010 were female. Based on information from BJS on the incidence of domestic abuse—less than half a percent of the U.S. population in 2010—and adjusting for the number of female veterans enrolled in VA health care, CBO estimates that the current costs for homeless benefits for transitional housing and supportive services would increase slightly. In total, CBO estimates that implementing section 2 would cost about \$1 million over the 2014-2018 period.

Assessment of Homeless Service Programs. Section 5 would require VA to conduct, at a national and local level, an assessment of the comprehensive services provided to homeless veterans. CBO estimates such an assessment would cost \$1 million over the 2014-2018 period.

Direct Spending

Section 13 would extend from November 30, 2016, to March 31, 2018, the expiration date of a provision of current law that sets a \$90 per month limit on pensions paid to any veteran who does not have a spouse or child and who is receiving Medicaid benefits in a Medicaid-approved nursing home; that provision also applies to any survivor of a veteran who is receiving such coverage. Using data provided by VA, CBO estimates that about 15,000 veterans and 19,000 survivors would be affected by this provision in both fiscal year 2017 and 2018 and that the average monthly savings to VA in those years would be about \$1,800 per veteran and \$1,200 per survivor. (Those projections account for inflation, mortality rates, and new nursing home patients.) On that basis, CBO estimates that enacting the provision would reduce VA spending by about \$763 million over the 2014-2023 period.

Higher Medicaid payments to nursing homes would offset some of those savings. We estimate that those costs would total \$468 million over that same time period, resulting in a net reduction in direct spending of \$198 million in 2017 and \$96 million in 2018.

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 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. 287 as ordered reported by the Senate Committee on Veterans’ Affairs on July 24, 2013

	By Fiscal Year, in Millions of Dollars											2013-	2013-
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018	2023
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	0	0	0	-198	-96	0	0	0	0	0	-294	-294

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 287 contains no intergovernmental or private-sector mandates as defined in UMRA. As a condition of federal assistance, local governments that provide housing or housing services to eligible veterans would be required to meet the privacy, safety, and security needs of veterans receiving such services. Any costs to those governments would be incurred voluntarily.

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